





Gina Anderson is the Philanthropy Fellow at Centre for Social Impact at University of New South Wales. She is also an Advisory Board Member of the Australian Charities & Not-For-Profits Commission, Chair of Women's Community Shelters, and a Director of The George Institute for Global Health.

From 2005 - 2010, Gina was Chief Executive of Philanthropy Australia, the national peak body for philanthropy and a not-for-profit membership association. Members are trusts and foundations, organisations, families and individuals who want to make a difference through their own philanthropy and to encourage others to become philanthropists.



the Centre
for Social
Impact



PHILANTHROPY
Australia

Contents

	Foreword	2
	Author's note	3
1	Executive summary	4
2	Introduction	5
3	Philanthropy in Australia	8
4	Philanthropic giving by 12 large philanthropic foundations	12
5	Where the money goes	16
5.1	Where the money goes: recipient organisations	22
5.2	Where the money goes: subject / cause	25
6	Comparative analysis	35
7	Reflections	40
8	Conclusions & recommendations	42
9	Appendix	44
9.1	Bibliography / references	44
9.2	Summary of methodology	46
9.3	Brief profiles of the 12 large philanthropic foundations	48
9.4	Philanthropic structures	50
9.5	Where the money goes (detail)	56
9.6	Philanthropy Australia's Grant Classification	71



Foreword by Professor John Fitzgerald

With this report, Gina Anderson offers a glimpse into the world of Australian philanthropy through the prism of 12 major philanthropic foundations. The report complements the work of the Australian Charities and Not-for-profits Commission in its efforts to promote accountability through regulation and mandatory information disclosure. When it comes to transparency, however, regulation and compulsion are no substitute for a willingness on the part of philanthropic foundations to invite public scrutiny by voluntarily sharing their data and metrics. The report marks a major commitment on the part of 12 leading private foundations toward greater transparency, data gathering, and evidence-based reporting of grants and programs, and in so doing establishes their pioneering leadership in this important initiative.

In going beyond regulation, the report brings Australia into closer alignment with international best practice in philanthropy and social investment. Evidence from outside Australia suggests that greater public access to core information on foundations and programs enhances public trust and improves performance.

Among the array of national information infrastructure supporting the American social economy, for example, are a number of independent transparency platforms such as the Foundation Center and Guidestar, which serve the community by gathering and sharing donor data and facilitating public access to programs and grants. Today,

philanthropy stakeholders in the US continue to invest in new information infrastructure that goes well beyond these established information services, extending to newly-fashioned information sharing partnerships, open sharing of grant information protocols, and new efforts to share impact metrics.

This style of independent and largely voluntary information-infrastructure building is not confined to the US. In August 2012 a number of Australians were on hand in Beijing to commemorate the second anniversary of the independent China Foundation Center, founded on the model of the American Foundation Center in 2010. Those present could not help but note that China, although not well known in the West for transparency, was running ahead of Australia in voluntary disclosure and information sharing about philanthropic donors including their budgets, boards, governance arrangements, fields of work, regional priorities, and grant making procedures and programs. At the same event, the China Foundation Center launched a national transparency index that systematically rated and compared every listed donor in China against its performance in meeting voluntary transparency benchmarks. The philanthropy sector in China was developing a transparency bourse for its social market, on a self-listing basis, at a time when we were still debating the merits of transparency and looking to regulators to lead the way.

There is every reason to believe that this report, by expanding access to information on foundations and

programs, will also enhance public trust and help lift the performance of the sector in Australia. Many readers will endorse the report's recommendation to build a large and sustainable publicly-accessible data platform on philanthropic grants in Australia. Achieving this will take good-will, patience, ceaseless innovation, and continuing displays of bold leadership by philanthropy institutions of every kind.

The Asia-Pacific Centre for Social Investment and Philanthropy at Swinburne University of Technology is honoured and delighted to cooperate with the Centre for Social Impact, University of New South Wales, in lending support for this effort to demonstrate that systematic data collection and analysis can provide a solid foundation for foundations to showcase their achievements to the public and to measure their progress over time. Gina Anderson is to be commended for marking a milestone of our own on the road to transparent philanthropy in Australia. And the 12 foundations are to be especially commended for stepping forward and showing clear leadership in what was – until now – the opaque world of Australian philanthropy.

Professor John Fitzgerald

Truby and Florence Williams
Charitable Trust Chair of Social
Investment and Philanthropy Asia-
Pacific Research Centre for Social
Investment and Philanthropy

Swinburne University of
Technology

Author's note

“So, on top of everything else, foundations are supposed to compile and maintain data on their activities? And share it with other foundations? And perhaps even make it public? And do all of this willingly, because it will make philanthropy more effective? It is up to foundations to decide whether or not to do this, but it is becoming clearer every day that the answer is being thrust upon them, whether foundations are ready or not”
(McGill 2012).

In Australia the not-for-profit sector is under-going significant regulatory reform. The establishment of the Australian Charities and Not-for-profits Commission (ACNC) has highlighted the increasing importance of transparency and accountability, while the growing interest by funders – including government – in social impact has increased the need and visibility of evidence and, inevitably, data.

A sub-set of these trends is the growing awareness of, and interest in, philanthropy. This is partly as a result of the magnificent gifts of the mega-philanthropists such as Bill Gates, Warren Buffet, and Greg Poche and Andrew and Nicola Forrest.

The lack of mandatory reporting in Australia makes it impossible to give accurate data on the philanthropic sector and makes it very difficult to analyse the

impact of the philanthropic sector. Even so, despite significant growth in philanthropy over the past five years, as noted in the Productivity Commission’s 2010 report [Contribution of the Not-for-Profit Sector](#) philanthropy (planned and structured giving) remains a comparatively small part of not-for-profit sector revenues compared with individual giving and government funding. Potentially, however, philanthropy has a crucial strategic role to play – in seed funding and supporting innovation, scale and systems change, and through the influence of philanthropists themselves.

The Centre for Social Impact, University of New South Wales and the Asia-Pacific Centre for Social Investment and Philanthropy at Swinburne University of Technology have undertaken a joint program to map the grants of 12 leading philanthropic foundations over the three-year period from 2009 - 2011.

These foundations self-selected to participate in this research project by proactively making their grants public over a number of years using best practice reporting. Ten of the 12 large Australian foundations reviewed in this report, while small compared with US foundations, would rank in size in the top 100 UK family foundations and are therefore directly comparable.

This type of transparency provides the opportunity for a foundation to talk about all the wonderful things they are doing – but it also means they open themselves up

to questions and scrutiny on the projects they have selected to support and the processes they have used to select those projects.

It is a brave step for foundations to publish their work in the public domain as, once that stance is taken, it is very difficult to retreat. These foundations demonstrate leadership, showing the way for others, and I applaud them for doing so.

Gina Anderson

Philanthropy Fellow
Centre for Social Impact
University of New South Wales

I Executive summary

The Centre for Social Impact, University of New South Wales (UNSW) and the Asia-Pacific Centre for Social Investment and Philanthropy at Swinburne University of Technology undertook a joint program to map the grants of 12 leading philanthropic foundations over a three year period from 2009-2011.

The overarching aim of this program is to begin to meet the information and data gap in the philanthropic sector and contribute to more effective philanthropy in Australia. The specific objective of this research outlined in this report was two-fold:

1. To demonstrate the value of data collection and analysis to assist philanthropic foundations and philanthropists in more purposeful grant-making.
2. Demonstrate how private wealth is serving the public.

Some 4,119 philanthropic grants totalling \$207.3 million have been analysed by issue, sector and funding area.

Key observations

- The majority of grants are small and fragmented, with the overwhelming concentration of grants made (80%) being for less than \$50,000.
- Generally these foundations combine a few very large multi-year philanthropic grants with a relatively extensive small grants program. The breadth and number of organisations funded is much wider than anticipated.
- From 2009 to 2011, 25 grants for \$1,000,000 were made primarily for capacity building and the establishment of new centres of expertise; although some of these large grants were for capital grants, endowments, research awards and large projects. The Colonial Foundation provided on-going support to Orygen Youth Health with grants totalling \$10,400,000 in support of mental health. The Ian Potter Foundation provided grants totalling \$7,000,000 to the Florey Neuroscience Institutes for the establishment and support of a new Australian Neuroscience Institute.
- Many organisations are supported by multiple grants from different foundations, though there was little evidence of co-funding let alone collaboration on projects. Twenty-four organisations received more than 11 grants each, totalling 481 grants over three years with a

combined total of \$48.32m – a large amount of grants in a relatively short amount of time.

- Anecdotal evidence suggests a lack of informed use of data. While much data is collected from grant-seekers and is used internally, there appears little sharing of data externally.

Using philanthropy as an entry point, long-term aims of data collection would be to facilitate sector and academic research to inform positive social change. It will also potentially enable foundations to avoid duplication in their granting, identify under-served communities and geographic regions, and the hard-to-reach. Additional benefits include the promotion of collaboration among funders and information for inclusion in public policy making.

Recommendations

To determine the interest and potential to develop a publicly accessible data platform on philanthropic grants in Australia, it is recommended that an expert panel be convened to undertake a technology review. This would take into account the latest software available, including open source programs.

In addition a review of similar initiatives would be required, including exploration of their funding, their successes and failures. If there is sufficient support, an interested party or consortium of interested parties can then develop a detailed business plan.

The future of a sustainable database is reliant on identifying sources of data and other databases in a user-friendly format, collected in a cost effective manner. One suggestion is to use an aggregate pool of online grant applications to foundations and other funders as a data source for cost effective data collection.

Why? To quote internet founder Sir Tim Berners-Lee, from a recent article Release the Info (Botsman 2013) on why governments seem hesitant to open their data vaults. *“They want to know exactly what people will create from what looks like mundane data,” he says. “But that’s precisely the point. We don’t know ...that’s where innovation happens.”* (Botsman 2013)

I suspect it might be similar in philanthropy.

2 Introduction

“To meet the scale and complexity of today’s most pressing challenges, philanthropy will need to raise its game. While the world changes at breakneck speed, most of philanthropy is still practiced as it was a hundred years ago when Andrew Carnegie and John D. Rockefeller created the first foundations. The identification of problems and the search for solutions tends to proceed in relative isolation, increasing the fragmentation, inefficiency, and inflexibility of many of today’s approaches to social change” (The Monitor Institute 2013).

Context of the report

The 2010 report *Global Institutional Philanthropy: Preliminary Status Report* by Paula D. Johnson, provided the first global overview of philanthropy. The report noted that philanthropy is growing and gaining visibility around the world.

According to Johnson (2010), private giving has an increasingly important role in addressing human suffering, promoting social justice and equitable economic growth, and strengthening and supporting a broad array of civil society goals and organisations. Yet as a field of study – if indeed it is a ‘field’ of study – global philanthropy is in its infancy. It defies definition at the same time that it provokes interest and inquiry. Johnson (2010) says that while many have contributed to our understanding of global giving, it is fair to say that there are no individual or institutional experts. Reliable giving data can be found in only a limited number of countries. Globally comparable data is non-existent and careful analysis of philanthropic giving through a global lens is hard to find.

More recently, in her blog post [Global consultation on philanthropy data](#) for WINGS, Ana Pinho (2013) states that: “Demand for reliable, globally-comparable data on philanthropy has never been greater. Different actors in the philanthropic field have approached WINGS in search of information—from academic and professional researchers to governmental bodies; from associations keen to provide better and tailored services to their members to funders looking into data as a way to maximise their impact. Accurate and accessible

information would allow the sector to set priorities, allocate resources, assess needs and identify trends”.

In Australia, too, there is growing awareness of and interest in philanthropy, partly as a result of the magnificent gifts of the mega-philanthropists such as Bill Gates, Warren Buffet and in Australia, Andrew and Nicola Forrest. Prior to the announcement of Warren Buffet’s philanthropic gift to the Bill and Melinda Gates Foundation in 2006, media coverage in Australia of philanthropy was virtually non-existent. Today there is regular coverage of philanthropy across all media and social media channels. However, profile comes at a price. It invites scrutiny.

In Australia individuals, families, organisations, media, government and the community generally are increasingly asking those working in the philanthropic sector questions such as:

- How much philanthropic money is going into which cause?
- In which state and which towns?
- Supporting small or large organisations?

To answer these questions and to facilitate sector and academic research, we need a body of evidence beginning with the development of a data set. We currently lack the requirement for systematic data collection and a standardised way of collecting information, and it takes an enormous amount of collaborative effort to obtain this data, which in turn is a major barrier to research.

The establishment of the Australian Charities and Not-for-profits Commission (ACNC) in December 2012 will begin the systemic collection of data from all charities. However, this data will primarily be focused on regulatory information and total grant distribution. The ACNC will not in the first instance be collecting the more detailed grant and distribution information that is necessary for research analysis.

To begin to meet this information gap and contribute to more effective philanthropy, the Centre for Social Impact, University of New South Wales and the Asia-Pacific Centre for Social Investment and Philanthropy at Swinburne University of Technology undertook a joint pilot research program to map philanthropic activity of 12 foundations over a three-year period by issue, sector, region and funding area.

Definition of philanthropy

In her introduction to [A Grant-seekers Guide to Trusts & Foundations](#), Vanessa Meachen (2009: 3) says that the word ‘philanthropy’ is often used but many people find the world of philanthropy quite mysterious. There are many different meanings to the word, usually depending on who you ask.

In the context of this report, like Meachen (2009), we have used the definition of philanthropy adopted by Philanthropy Australia, the national peak body of philanthropy in Australia, which is: *“the planned and structured giving of time, information, goods and services, influence and voice as well as money to improve the wellbeing of humanity and for the community”* (Philanthropy Australia 2013).

Definition of a foundation

In practical terms, much of the philanthropy that happens in Australia involves gifts of money granted to not-for-profit entities by philanthropic trusts and foundations, collectively referred to as ‘foundations’.

The word ‘foundation’ doesn’t have a legal meaning in Australia. Meachen (2009: 4) notes that traditionally the word ‘trust’ has been used in the UK and ‘foundation’ in the US. In Australia, ‘trust’ is the correct word for the legal structure but throughout this report we will use the more common descriptor of ‘foundation’ to refer to organisations whose purpose is to give away money for community benefit.

Independent and family foundations are types of philanthropic foundations that are independently governed organisations with large, private assets often in the form of perpetual endowments which they use to promote public good. They are private, funded principally by the personal gift of a family business or family member(s), often with the donor or family members having a position on their Board of Directors or Trustees. Their main, but not sole, activity includes making grants to charities and other public benefit institutions. In addition, these foundations also provide in-kind support through time, skills, information, voice and influence.

Vanessa Meachen (2009) notes that, in Australia, philanthropic foundations are largely free from government control. Until the very recent establishment of the ACNC, some foundations did not have to prepare

audited financial accounts, and most of them were not legally required to report to the public. However, all foundations do have to comply with certain legal restrictions – they have to obey the regulations governing their legal structure, to fulfil the purposes for which the foundation was originally established, and comply with the law of what is charitable in Australia, and the laws governing trustees – which vary from state to state.

Why focus on just 12 philanthropic foundations?

While an increasing number of philanthropic foundations and trusts now have a website that provides information on program areas and highlights the programs and organisations they fund, few voluntarily provide detailed information publicly on those distributions – as is their prerogative.

In large part the 12 foundations reviewed in this report self-selected. They have taken a leadership position by proactively providing publicly detailed reporting on their grant distributions over a number of years. Even though the information used in this report was publicly available, all 12 foundations were approached and gave consent to be included in this pilot project.

Aims and objectives of the research

The primary output of this research project is to build a simple, searchable database that presents for analysis distributions and grants made by 12 large Australian philanthropic foundations from 2009 - 2011. Ten of the 12 selected foundations are based in Victoria, Australia.

The database uses publicly available information already prepared by large foundations with best practice public reporting to answer the following questions:

- Who gives the money?
- Who gets the money?
- How much?
- What is subject of a grant or program?
- What is the type of support?
- What is the type of program?
- Who benefits from the grant or program?
- What is the geographic area served?

The objective of this project is two-fold:

1. To demonstrate the value of data collection and analysis to assist philanthropic foundations and philanthropists in more purposeful grant-making.
2. Demonstrate how private wealth is serving the public.

Providing philanthropists, professional advisors, the not-for-profit sector, Government and the wider community with greater access to data on philanthropic grant-making will assist in; a better understanding of the sector, profile the role being played by philanthropy, and enable a better understanding of the impact of philanthropic grants.



3 Philanthropy in Australia

“Something is lost when the only way the population contributes to a country is by paying taxes”(Loong 2012).

In its landmark report Contribution of the Not-For-Profit Sector, the Australian Government’s Productivity Commission (2010) outlined sources of revenue from 2006-2007 for 58,779 economically significant not-for-profit organisations.

Sources of revenue 2006-2007

Economically significant organisations

Type of revenue	Amount \$Billion	% Proportion of the total
Government	25.5	33.2
Philanthropy: Donations from philanthropic trusts/ foundations	0.3	0.4
Donations from businesses/ organisations	0.6	0.8
Sponsorships	1.1	1.4
Donations from individuals (incl. donations, bequests and legacies from individuals)	4.2	5.4
Other fundraising	1.0	1.3
Total philanthropy	7.2	9.4
Self-generated income	38.0	49.6
Other	5.9	7.8
TOTAL	76.6	100

Source: Productivity Commission (2010: 72)

The Productivity Commission (2010) estimated that donations from 2006-2007 from philanthropic trusts and foundations amounted to some \$300 million representing 0.4% of total funding to the not-for-profit Sector.

By 2012, Philanthropy Australia (2013) estimates there were approximately 5,000 foundations in Australia giving between \$500 million and \$1 billion dollars per annum.

The preamble to *Philanthropy Australia’s Strategic Plan 2012 – 2014* (2013) states the growth rate of

philanthropic contributions over the past decade has been in the order of 10% per annum.

However, this growth has slowed in the past few years since the Global Financial Crisis of 2008, as individuals have seen their asset values decrease and foundation assets have been negatively affected by share market declines. The income growth projected for Australia in the next five years should see a return to growth in philanthropic giving. The factors behind this growth include the vast wealth creation occurring with the resources boom, increased participation by Australians in philanthropic giving, an increasing culture of philanthropy – as measured by the growth in the number of Private Ancillary Funds (PAFs), and the baby boomer generation dispersing a share of their assets through charitable giving.

Despite this significant growth in philanthropy over the past five years, philanthropy (planned and structured giving) remains a comparatively small amount of not-for-profit sector revenue compared with individual giving and government funding.

Why then does philanthropy have such prominence? Why do we care?

For many, philanthropic money, unhindered by shareholders and the ballot box, is ideally placed to fund the new, the innovative, the unpopular. It can act as a bridge between government and the market, providing unique resources, in partnership and through social innovation and investment, to foster civil society.

For others, it is the combination of the ‘power of the purse’ with various forms of influence, and the ability to connect people and organisations across silos, borders, geographies, cultures, sectors and spectrums to build powerful networks and coalitions to effect change.

As Marcos Kisil (2011), from the Institute for Development and Social Investment in Brazil, notes, “High Net Worth Individuals are not only economically powerful, they are also influential in the political and social life of the countries where they live and made their original fortunes. Their actions and attitudes and the use they make of their wealth are followed by the media. In some ways they can serve as a beacon for good, and unhappily for bad.”

Philanthropy can also play a vital role in a fair, inclusive society through its support of the growth of civil society.

It empowers society and the individual through the giving of money, time, information, goods and services, voice and influence. It contributes to the plurality of voices in a vibrant civic society, in particular supporting the marginalised and disadvantaged; those less able to have a voice or make it heard.

Because of limited philanthropic resources it is critical to understand the increasingly important role philanthropy can play in social impact, particularly in regard to:

- Seed funding innovation
- Enabling leverage of funds
- Filling gaps
- Fee for service
- Collaboration

It is worth noting that philanthropy is only as good as the organisations it can support, collaborate and partner with, and therefore social impact depends on a strong not-for-profit sector.

Philanthropy and government have complementary characteristics

In his opening speech to the Philanthropy Australia Conference in October 2008, the President of Philanthropy Australia, Bruce Bonyhady (2008), outlined new opportunities for philanthropy and governments to work together in complementary roles. He described philanthropy as often entrepreneurial with a high tolerance for risk, while governments are usually cautious and risk averse. Philanthropists and trustees of foundations are independent, while governments are responsive to pressure from numerous stakeholders. Given their relative resources, philanthropy's efforts are best directed to start-ups, while governments are best placed to take projects to scale. Philanthropy is built on deep bottom-up knowledge, innovation and has long term horizons, while governments usually take a top-down perspective and are often short term and cost-focused. Bonyhady (2008) asserts that philanthropy also works best through mutually-shared goals and equal partnerships with community organisations while relations with governments are rarely equal. The following table summarises the characteristics of philanthropy and government and highlights this complementarity:

Philanthropy

- Entrepreneurial/High risk tolerance
- Independent/Trusted
- Start-up capacity only
- Long term horizons
- Deep, bottom up knowledge
- Innovation focus

Government

- Cautious/Risk averse
- Responsive to pressure from stakeholders • Capacity for scale
- Often short term timeframe
- Top down perspective
- Efficiency focus

In their 2012 report *Guiding Principles for Building Collaborative Partnerships between Government and Philanthropy* Marion Webster and Trudy Wyse note that, in the past, government / philanthropic collaborations and partnerships have had mixed and uneven relationships. However it is increasingly recognised that the issues communities are facing are extremely complex, can be chronic and severe, and spill over sectoral boundaries. The traditional silo approach, where different sectors and agencies (government, philanthropy, corporations, and the community) respond in isolation and solely according to their own agendas and priorities, is ineffective and limiting. Webster and Wyse (2012) report that there is a general acknowledgement in the literature that by leveraging the work of the government and philanthropic sectors, the reach of both philanthropy and government intellectual and financial capital, and the scope of their successes, can be broadened to achieve greater positive social change.

Scope of philanthropy in Australia

The lack of mandatory reporting for philanthropic foundations in Australia makes it impossible to give accurate data, but Philanthropy Australia (2013) estimates that there are approximately 5,000 foundations in Australia giving between half a billion and one billion dollars per annum. This includes some 2,000 charitable trusts and foundations administered by trustee companies. It also includes 1,027 Private Ancillary Funds (PAFs) created between 2001 and October 2012, which distribute a combined total of more than \$200m annually to charities and other worthy organisations (Philanthropy Australia 2013).

In Philanthropy Australia's submission to the Productivity Commission report "Contribution of the Not-for-Profit Sector" (2010), it describes the philanthropic sector as pluralistic and diverse with:

- Different priorities, interests and geographic focus
- Different foundation structures and operating models
- Different risk profiles and timeframes

The submission also outlined the key players that are part of the planned and structured philanthropic landscape including:

- Private Family and Independent Foundations
- Corporate and Business Foundations
- Trustee Companies
- Private Ancillary Funds (PAFs)
- Community Foundations
- Government Backed Organisations eg. Australia Council for the Arts, Foundation for Rural and Regional Renewal and Lotterywest

Why is philanthropic sector transparency important?

Despite the sector's potential flexibility, transparency is comparatively low, making it difficult to even begin to assess its impact.

Rob Reich (2013), in his article *"What are Foundations For?"*, cites some prominent foundation observers, including many advocates of foundations, who believe that US foundations are underperforming. For instance, the former Atlantic Philanthropies President Joel Fleishman thinks that US foundations would do their work better if they were more transparent and risk-taking. Others, such as Waldemar Nielsen, a prominent author on the subject of philanthropy, have challenged US foundations' support for innovation, arguing that foundations are more frequently on the "trailing edge, not the cutting edge, of change." Peter Frumkin, Paul Brest and Hal Harvey (as cited in Reich 2013) have argued that US foundations operate too often without a strategy or theory of social change, and are instead vehicles to express the preferences and fancies of their endowers.

In addition, the dearth of information leaves the sector vulnerable to criticism that it is insufficiently accountable to the community. Unlike publicly listed companies, the philanthropic sector is largely protected from the discipline of market forces. It is not accountable at the ballot box or to donors or members – unlike, for example, other charities and membership driven not-for-profit organisations.

Caroline Hartnell, the Editor of UK philanthropy and social investment magazine, *Alliance Magazine* (2011) on *"Living with the Gates Foundation"*, said in her editorial: *"It is a truism that foundations lack accountability..... The justification for this – in the eyes of the philanthropy world, and presumably the wider world – is the assumption that foundations probably do quite a lot of good, and almost certainly don't do any harm"*.

Hartnell (2011) goes on to state that the emergence of the Bill and Melinda Gates Foundation is beginning to undermine this assumption. *"It's not that Gates isn't doing good, or that it is doing harm; it's more that the resources the foundation brings to bear are so huge and the scale of its ambitions so great that it clearly could do serious harm – by distorting the fields in which it works"*.

It is this sentiment that is driving transparency and accountability of the philanthropic sector internationally.

In Australia, few issues polarise the philanthropic sector as much as that of transparency. Vanessa Meachen and David Ward (2012), in their blog post for Philanthropy Australia *"Philanthropy, Transparency and Accountability"*, note that part of the issue stems from different interpretations of what "transparency" means and confusion with "accountability". The majority of Australian philanthropic trusts have historically operated very quietly and without any level of reporting, let alone mandatory public reporting. Changes really began with the introduction of Prescribed Private Funds (PPFs) in 2001 and recent reviews which led to new Guidelines for PPFs successor Private Ancillary Funds (PAFs) in 2009 and Public Ancillary Funds (PuAFs) in 2011. Recently this situation has come into focus due to some very public criticism of philanthropic privacy as well as the establishment of the ACNC with its public information portal for all charities.

Meachen and Ward (2012) state that "transparency" and "accountability" are not identical concepts although the words are often used interchangeably. In the

way they are most frequently used in philanthropy, *transparency* is making information freely and openly available to the public. *Accountability* means to be accountable for one's past or future actions, to justify them and to be penalised if there is misconduct. This usually requires full transparency to the regulator, which is critical given the tax favoured environment foundations operate in. They posit that *"Transparency does not automatically increase accountability, and accountability can and does occur without total public transparency."*

The Australian Centre for Philanthropy and Nonprofit Studies at Queensland University of Technology (2012) entitled *"Foundations for Giving: why and how Australians structure their philanthropy"* sums up the accountability and transparency debate in Australia as follows:

"Most respondents see logic in accountability and transparency but not all agree with this view and both sides of the equation are debated with fervour. Those 'for', argue that tax deductibility transforms this money into public property whose use should be in open view. Those 'against', argue that trust deeds ensure they are unable to derive benefit from the donated money and suggest more transparency will stifle the growth of philanthropy".

However, from my point of view, Bradford Smith (2010), President of the Foundation Center in the US, put forward the most persuasive reason for transparency in the philanthropic sector. On launching the GlassPockets foundation transparency initiative he said: *"The best way to preserve philanthropic freedom is not to hide behind it; rather, foundations increasingly need to tell the story of what they do, why they do it, and what difference it makes..... No sector – government, church, business, or charitable – gets a free pass in the world of 24/7 media, blogs, YouTube, Twitter, crowdsourcing, and digital everything"* (Smith 2010).

Smith (2010) added that as foundations strive to become more strategic and effective, their impact and influence will grow - as will the curiosity, praise, criticism and scrutiny they attract. He said greater transparency is the best means to protect the freedom that philanthropy needs to pursue its noble mission (Smith 2010).



4 Philanthropic giving by 12 large philanthropic foundations

While an increasing number of philanthropic foundations and trusts now have a website highlighting programs and organisations they fund, few provide detailed information publicly on those distributions.

In large part the 12 philanthropic foundations reviewed in this report self-selected as they are leading the philanthropic sector with best practice public reporting. They have provided detailed public reporting on their grant distributions for more than three years.

However, it should be noted that this report provides only a glimpse into the philanthropic sector and by no means represents the whole philanthropic sector. Inclusion of data from other major foundations may provide quite different outcomes. However, until public reporting is more widespread, these 12 foundations cover the spectrum of large Australian philanthropic foundations by size of grant distributions and so become a proxy for the sector, if only by default.

Three types of foundations are included in this group:

- Independent Foundations & Trusts (no living donors, established by will or bequest)
- Family Foundations & Trusts (living donors)
- Corporate Foundations

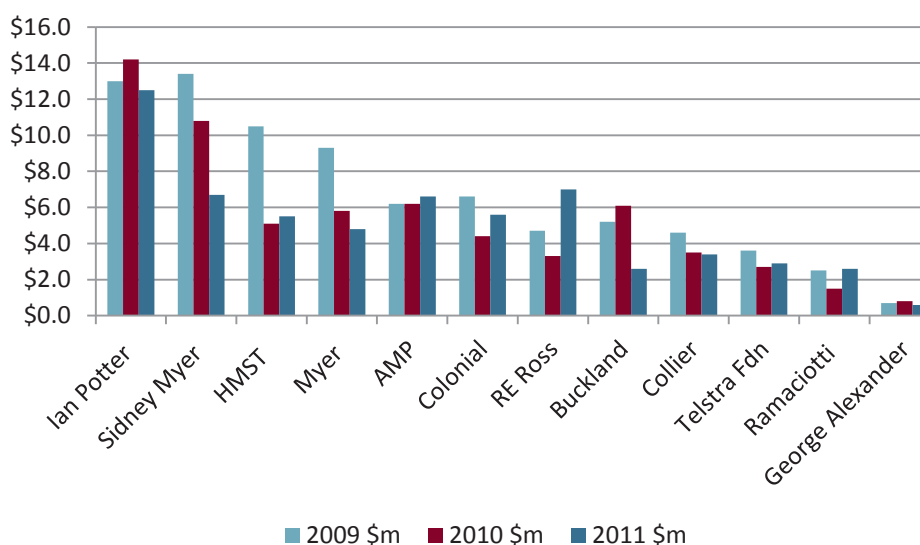
12 large philanthropic foundations

The Ian Potter Foundation	Private Independent Foundation
Sidney Myer Fund	Private Independent Foundation
The Helen Macpherson Smith Trust	Private Independent Foundation
The Myer Foundation	Private Family Foundation
The AMP Foundation	Corporate Foundation
Colonial Foundation	Independent Foundation
The RE Ross Trust	Private Independent Foundation
The William Buckland Foundation	Private Independent Foundation
Collier Charitable Fund	Private Independent Foundation
Telstra Foundation	Corporate Foundation
The Clive and Vera Ramaciotti Foundations	Private Independent Foundation
The George Alexander Foundation	Private Independent Foundation

With reporting timelines differing for different foundations - some choosing to report on a calendar year while others on a financial year - it can be difficult to undertake like-on-like comparisons. This is complicated by the timing of approvals for grants and the actual distribution date when the grant is paid. Where grants are approved over multiple years, some foundations pay the lump sum up front and count that grant in one year. Other foundations approve a multiple year grant, but pay an agreed portion of the grant each year.

Despite the variations, we have chosen a three-year time period from 2009-2011 to compile dataset of grant distributions for the 12 foundations. The following table is derived from published annual reports of grants made by the foundations and is ranked by average total grants over three years.

Total grant distributions per foundation by year



Total grants 2009-2011

Foundation	2009 \$m	2010 \$m	2011 \$m	Av. Total over 3 yrs
The Ian Potter Foundation	\$13.0	\$14.2	\$12.5	\$13.2
Sidney Myer Fund	\$13.4*	\$10.8*	\$6.7*	\$10.3
The Helen Macpherson Smith Trust	\$10.5#	\$5.1	\$5.5	\$7.0
The Myer Foundation	\$9.3*	\$5.8*	\$4.8*	\$6.6
The AMP Foundation (inc. AXA)	\$6.2	\$6.2	\$6.6	\$6.3
Colonial Foundation	\$6.6	\$4.4	\$5.6	\$5.5
The RE Ross Trust	\$4.7	\$3.3	\$7.0	\$5.0
The William Buckland Foundation	\$5.2	\$6.1	\$2.6	\$4.6
Collier Charitable Fund	\$4.6	\$3.5	\$3.4	\$3.8
Telstra Foundation (Community Development Fund only)##	\$3.6	\$2.7	\$2.9	\$3.1
The Clive and Vera Ramaciotti Foundations	\$2.5	\$1.5	\$2.6	\$2.2
The George Alexander Foundation	\$0.7	\$0.8	\$0.6	\$0.7
Total Grants Paid	\$80.3	\$64.4	\$60.8	\$68.5

\$5.75m grant to establish the Macpherson Smith Rural Foundation Limited in 2009

*The Myer Foundation Commemorative Grants Program: 2009 \$5m; 2010 \$2.5m; 2011 \$1.3m

*Sidney Myer Fund Commemorative Grants Program: 2009 \$6.6m; 2010 \$4.5m; 2011 \$0.5m

Since drafting this report, Telstra Foundation has changed its operating model & now structures significant investment across 3 areas: Flagship partnerships; Social Innovation Grants; and Employee-giving.

Since the Global Financial Crisis there has been a reduction in the total monetary value of grants made by foundations.

Dr Diana Leat (2010), in her report Australian Foundations and the downturn noted that, in general, foundations' capital had lost value in line with the decrease in value of the Australian equities market (where the majority of foundations had the majority of their investments). Dividend income had generally held up well in the 2009 / 2010 financial year. However, since then Foundations dependent on equities have seen a decrease in their dividends and therefore their ability to distribute grants.

Comparisons with private ancillary funds (PAFs)

Much has been written about the growth of Private Ancillary Funds (PAFs), the fastest growing form of philanthropy in Australia over the past decade. The number of PAFs established grows every year and is starting to include some very large private foundations. However, it is important to provide some perspective.

This comparison is not to diminish the growing importance and size of PAFs but rather to give an indication of the size and presence of the large traditional foundations. The recent emergence of PAFs that are larger than The Ian Potter Foundation will substantially increase the presence and influence of PAFs in future years.

	2009	2010	2011
Total Grants for 12 Foundations*	\$80.3m	\$64.4m	\$60.8m
Average distribution per year	\$6.69m	\$5.37m	\$5.06m
*2 foundations managed by Trustee Companies			
	2009 (822 PAFs)	2010 (879 PAFs)	2011 (924 PAFs)
Total Grants for 800+ PAFs*	\$153m	\$197m	\$165m
Average distribution per year	\$186,000	\$244,000	\$178,571
*some PAFs managed by Trustee Companies			
	2009 (>2,000 trusts)	2010	2011
Total Grants for Trustee Companies	\$180m	Data not available	

International comparisons

Useful comparative data globally is scarce noted Paula Johnson (2010) in her report *“Global Institutional Philanthropy: Preliminary Status Report”*. However, the Pears Foundation report *“Family Foundation Giving Trends 2010”* compiled by Cathy Paroah with Charles Keidan (2010) is the third in a series of annual reports tracking trends in the giving of the largest 100 UK family foundations, comparing them with family foundations in the US.

In a striking difference to the UK and US, the Australian philanthropic sector lacks the presence of a couple of super-sized private foundations, such as the Wellcome Trust in the UK and the Bill & Melinda Gates Foundation in the US.

Comparisons with UK family foundations

In *“Family Foundation Giving Trends 2010”*, Paroah and Keidan (2010) define charitable family foundations under the category of private / independent foundations and use the US Foundation Center in New York criteria including:

- Independent foundations that have a family or families in their name, or a living donor whose surname matches the foundation name, or
- At least two foundation surnames that match a living or deceased donor’s name, or
- Any independent foundation that self-identifies as a family foundation

Rank	Largest UK family foundations 2008/09 (from Table 2.9 p.20)	Distributions GBP	Australian foundations 2009	Approx. distributions in GBP
1.	Wellcome Trust	680.6m		
2.	The Gatsby Charitable Foundation	50.0m		
10.	The Tudor Trust	16.8m		
20.	Mayfair Charities Ltd	8.6m		
21.	The Prince’s Charities Foundation	7.9m	Sidney Myer Fund at AUD \$13.4m	7.5m**
22.	The Rank Foundation Limited	7.4m	Ian Potter Foundation at AUD \$13m	7.4m**
23.	Maurice Wohl Charitable Foundation	7.2m		
24.	The Peter Moores Charitable Trust	6.9m		
25.	Keren Association Limited	6.8m		
100	The Maurice and Hilda Laing Charitable Trust	2.2m		

** approx. value based on 2008/2009 GBP/AUD approx.. 1.8

Paroah and Keidan (2010) report that in the UK there is a heavy skew in family foundation giving towards a few very large organisations. The Wellcome Trust is in a class of its own with distributions of GBP 680.6m, more than 13 times the spending of The Gatsby Charitable Foundation, the next largest family foundation. All of these trusts have a strongly scientific and academic orientation.

However in 2008/2009 the bulk of large family foundations in the UK from Khodorkovsky

Foundation, ranked at no. 16 to The Maurice and Hilda Laing Charitable Trust ranked at no. 100, distributed between GBP 10m about (approx. AUD18m) and GBP 2m (approx.. AUD3.8m).

Ten of the 12 large Australian foundations reviewed in this report would rank in the top 100 UK foundations and are directly comparable therefore with the vast majority of UK large family foundations.

Comparisons with US family foundations

Rank	Largest US family foundations 2008/09 (from Table 3.10 p. 30)	Distributions US\$	Australian foundations 2009	Approx. distributions in US\$
1	Bill & Melinda Gates Foundation	\$2.8 billion		
28	Turner Global Foundation Inc.	\$50 million		
100	Comer Science & Education Foundation	\$18.9 million		
			Sidney Myer Fund at \$13.4m	\$11.7m**
			Ian Potter Foundation at \$13m	\$11.4m**

** approx.. value based on 2008/2009 USD/AUD approx.. 1.14

Similar to the UK, in the US there is a heavy skew in family foundation giving towards a few very large organisations. The Bill & Melinda Gates Foundation is by far the biggest family foundation, with total distributions of US \$2.8 billion. It distributes more than nine times the spending of the next largest family foundations; The Susan Thompson Buffet Foundation and The David and Lucile Packard Foundation.

The US Foundation Center listing of the 100 largest US family foundations by giving in 2008/2009 shows a larger spread of distributions at a much higher level of distributions. In 2008/2009 the Turner

Global Foundation Inc., ranked at no.28, distributed USD \$50m while the Comer Science & Education Foundation, ranked at no.100, distributed USD \$18.9m

Given the sheer size and quantum of US Family Foundations, trends in US philanthropy are very useful and often harbingers for future directions in Australian philanthropy. However, direct comparisons between the top 100 US Family Foundations and large Australian Foundations are not always useful.

5 Where the money goes

For this report we have compiled a dataset of grant distributions by 12 foundations over a three-year time period from 2009-2011. We have chosen a three-year time period to provide some comparative data year on year.

In the table Total Grants 2009-2011 (page 14) published grants for this three year period total \$205.5 million. However due to timing and reporting differences we have included some additional multi-year grants undertaken by both the Telstra Foundation and the Helen Macpherson Smith Trust, as they have not publicly indicated the yearly breakdown of the grants. This means total grants of \$207.3 million have been analysed in this report.

As there is no pre-existing public database on Australian philanthropic foundations we have individually collated the information. The report is based almost entirely on secondary analysis of published foundation data together with contact details from not-for-profit websites and publicly searchable directories.

Information collected

Philanthropic foundations work in financial and non-financial ways, however the focus of this report is to identify where foundations' charitable grants and disbursements (also referred to as 'giving' or 'philanthropy' in this report) are going. This figure represents charitable expenditure on grants to organisations and, in a few cases, individuals. In general, Australian foundations' expenditure involves making grants to charities and community organisations designated as tax concession charities (TCC) by the Australian Taxation Office and/or with Deductible Gift Recipient (DGR) status (see Appendix 9.4).

We collected the following information:

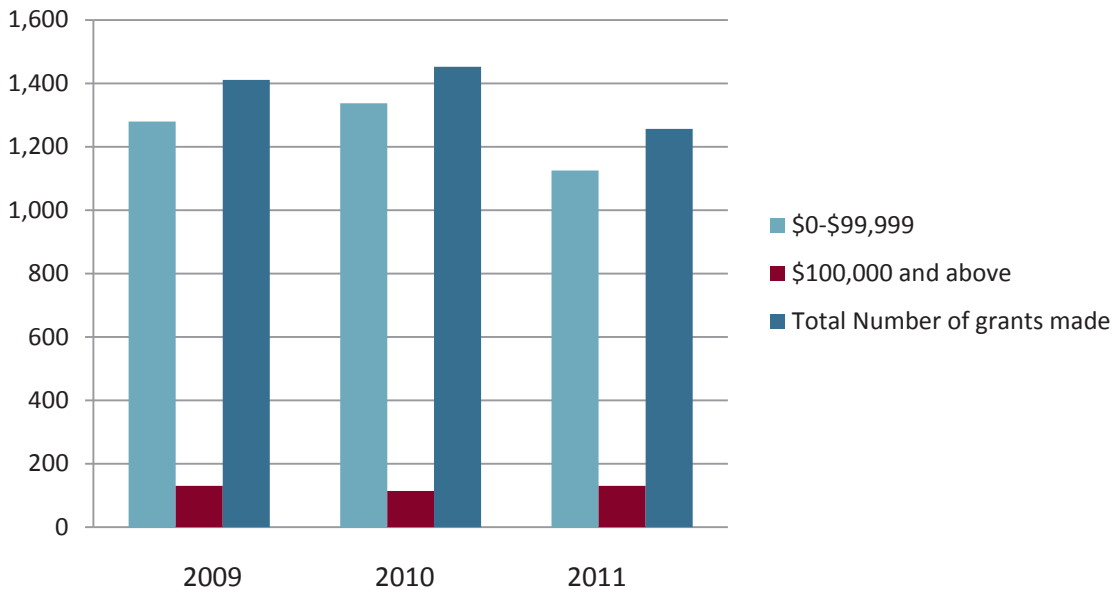
- Grant-maker name, street address, town/city, state, postcode, country; URL; ABN; type of grant-maker; year of establishment; funding geography; purpose & activities
- Grant recipient, street address, town/city, state, postcode, country; URL; ABN; type of recipient
- Grant description, grant \$ amount, length of grant, subject(s) of the grant, type of grant

Philanthropic foundations, like many other charitable organisations, adopt different 'year-end' months for their annual reporting and the time they take to publish reports also varies considerably. This means that in a 'snapshot' study like this, which aims to compile the best data available at a certain point of time, the data is strictly out-of-date at any given point of time. However, for comparative purposes, we have used the reporting year as the year the grant was made or reported. If the foundation reports on a financial year then the year is at 30 June while if it reports on a calendar year then the year is at 31 December.

Grants by size, number and value

As discussed in Section 2 of this report, the impact of the Global Financial Crisis was not really evident in grant-making until 2011. Dividend income generally held up well in 2009 and 2010 allowing general levels of grant distributions to be maintained. Leat (2010: 23) noted that in regard to the size of grant *'there's always that big-small tension'*.

Number of grants



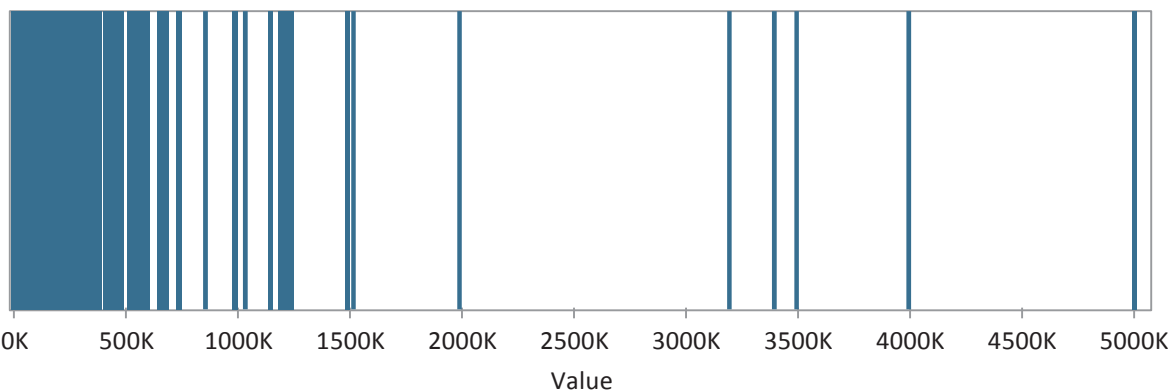
Grant	2009	2010	2011	
\$0-\$99,999	1,280	1,338	1,126	36.3% of grants (1,361) were in the \$0-\$9,999 range
\$100,000 and above	131	113	131	43.5% of grants (162) were in the \$100,000 - \$199,000 range
Total number of grants made	1,411	1,450	1,256	

In 2011 there was growth in the number of grants in the \$100,000 - \$199,999 range and a corresponding drop in the number of smaller grants, particularly in both the \$1,000 - \$9,999 range and the \$10,000 - \$19,999 range.

While there does not appear to be a particular reason for the growth in the number of larger grants, 2011 was a record year for The R E Ross Trust, which distributed 16 grants in the \$100,000 and above range, up from four grants in 2010 and nine grants in 2009.

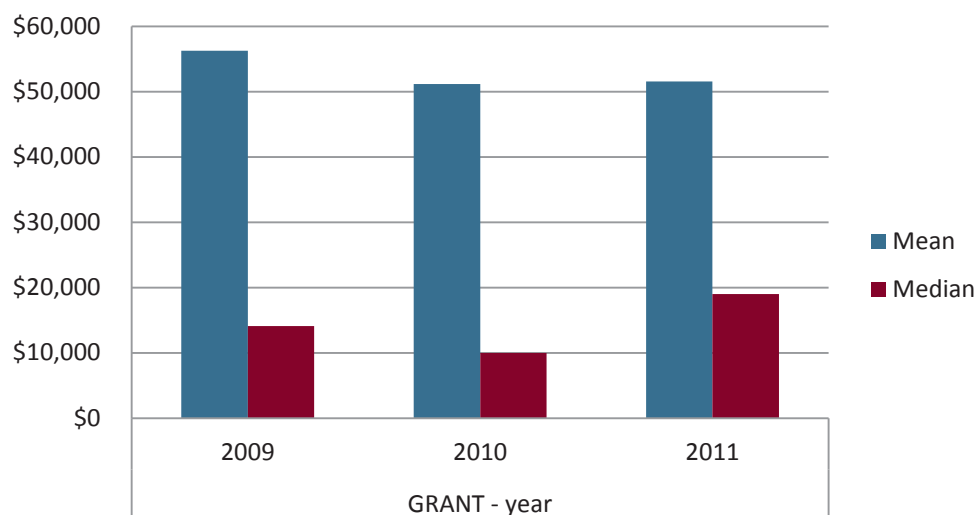
Value of grants

The overwhelming concentration of grants under \$50,000 is demonstrated by the distribution of grant size in the following chart.



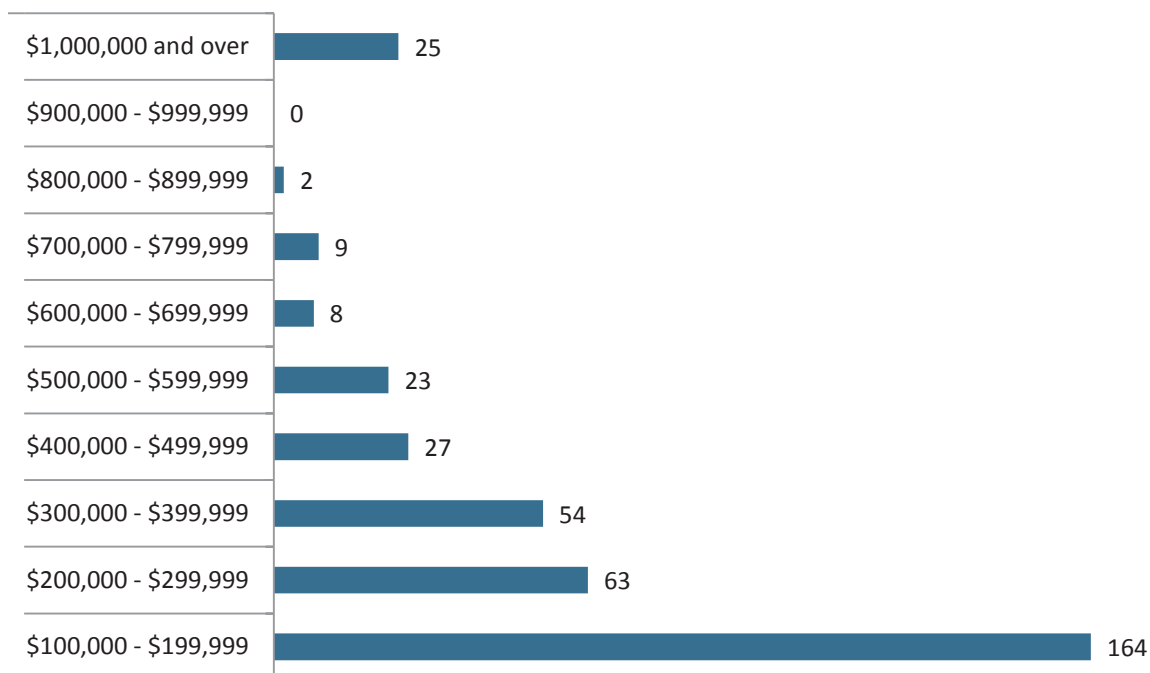
The following two graphs demonstrate that when averaging grant size over the total number of grants, the average grant size is relatively large. However the median (midpoint grant) is really quite small suggesting that a few large grants are skewing the average grant size.

Average and median grant value 2009-2011

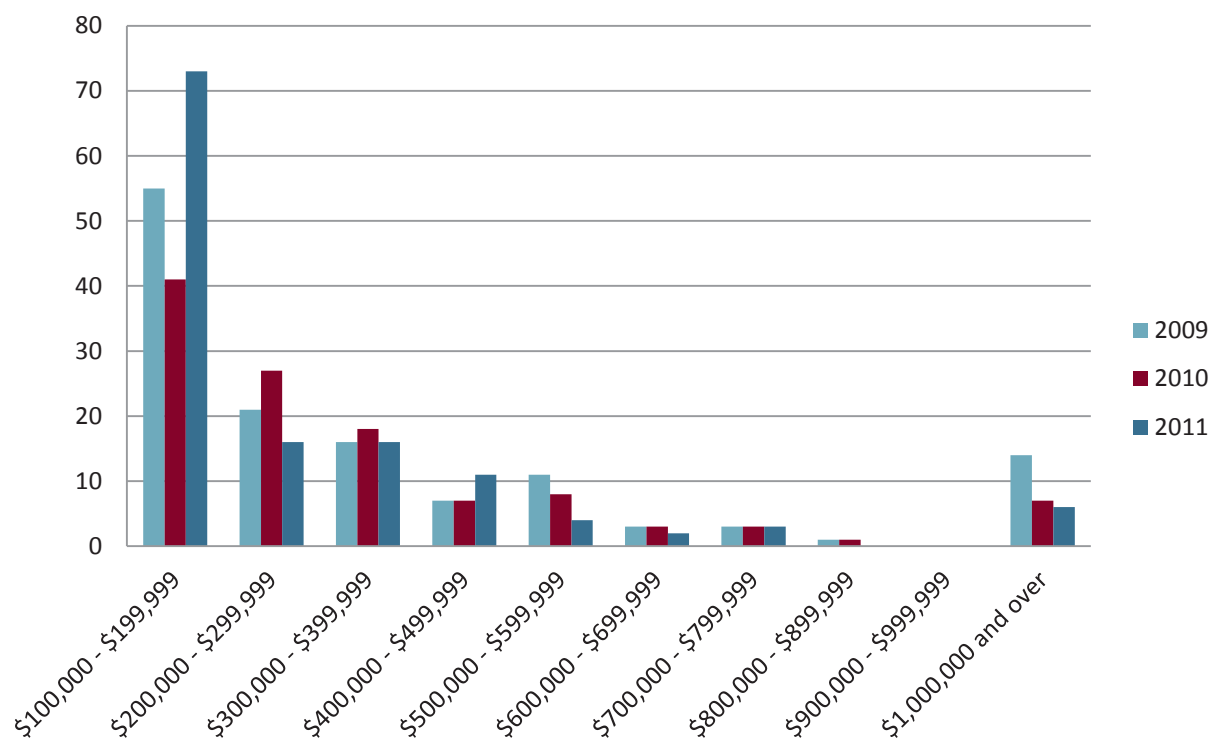


Large grants (\$100,000 plus)

Number of larger grants, banded by value (total = 375)



Number of grants by year (larger grants)



In 2009 some very large grants were made. In particular, 2009 marked 75 years since the death of Sidney Myer and the subsequent establishment, through his will, of the Sidney Myer Fund. It also marked the 50th Anniversary of the founding of The Myer Foundation by Sidney Myer's two sons, Baillieu and the late Kenneth Myer. In recognition of these milestones, Directors and Trustees of the Sidney Myer Fund and The Myer Foundation committed grants of more than \$25 million, above their usual grant-making programs. The projects chosen were developed over considerable time, and many reflect the passions and interests of family members. These grants, made over a number of years through the Commemorative Grants Program, have been included in this report:

- The Myer Foundation Commemorative Grants Program: 2009 \$5m; 2010 \$2.5m; 2011 \$1.3m
- Sidney Myer Fund Commemorative Grants Program: 2009 \$6.6m; 2010 \$4.5m; 2011 \$0.5m

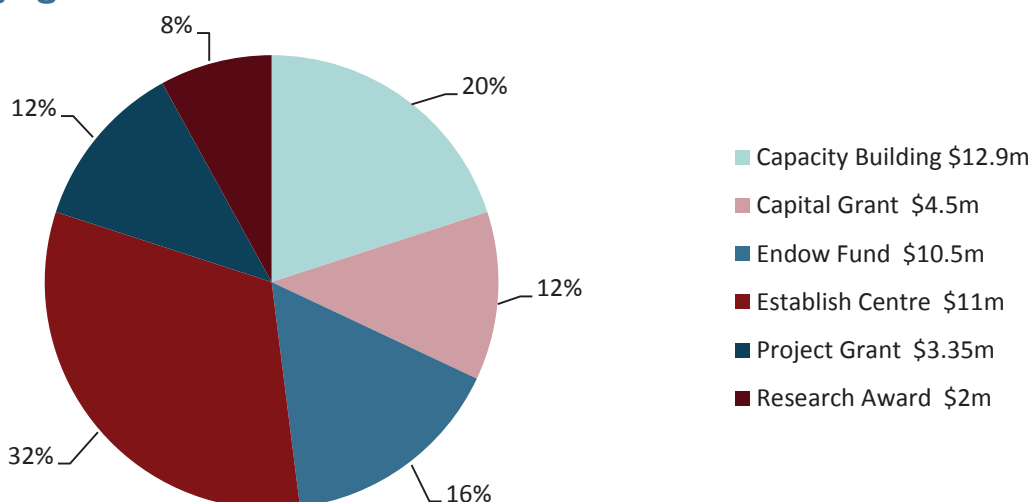
Also in 2009, the Helen Macpherson Smith Trust established the Macpherson Smith Rural Foundation Limited with a grant of \$5.75m being \$5m capital endowment and \$750,000 to fund a Future Rural Leader Scholarship program. The Macpherson Smith Rural Foundation is dedicated to welfare and educational opportunities in rural and regional Victoria.

Over this three year period the Colonial Foundation provided on-going support to Orygen Youth Health with grants totalling \$10.4m in support of mental health. The Ian Potter Foundation provided grants totalling \$7m to the Florey Neuroscience Institutes for the establishment and support of a new Australian Neuroscience Institute. The following table lists the largest grants made by the 12 foundations over this three-year time period.

Largest grants 2009-2011

Foundation	Recipient organisation	Grant \$	Grant type
Helen Macpherson Smith Trust	Macpherson Smith Rural Foundation	\$5,000,000	Endow fund
Colonial Foundation	Orygen Youth Health	\$3,700,000	Capacity building
Colonial Foundation	Orygen Youth Health	\$3,500,000	Capacity building
Colonial Foundation	Orygen Youth Health	\$3,200,000	Capacity building
The Ian Potter Foundation	Florey Neuroscience Institutes	\$2,000,000	Establish centre
The Ian Potter Foundation	Florey Neuroscience Institutes	\$2,000,000	Establish centre
The Myer Foundation	Victorian Arts Centre Trust	\$2,000,000	Endow fund
Sidney Myer Fund	Bush Heritage Australia	\$2,000,000	Endow fund
Sidney Myer Fund	Melbourne Affordable Housing	\$2,000,000	Capital grant
Sidney Myer Fund	Country Fire Authority	\$1,500,000	Capital grant
The Ian Potter Foundation	Kimberley Foundation Australia	\$1,500,000	Endow fund
The Ian Potter Foundation	Menzies School of Health Research	\$1,500,000	Establish centre
The Ian Potter Foundation	Royal Botanic Gardens Melbourne	\$1,250,000	Capacity building
The Ian Potter Foundation	Royal Botanic Gardens Melbourne	\$1,250,000	Capacity building
The Ian Potter Foundation	Florey Neuroscience Institutes	\$1,250,000	Establish centre
The Ian Potter Foundation	Florey Neuroscience Institutes	\$1,250,000	Establish centre
Telstra Foundation	Stronger Smarter Institute	\$1,200,000	Project grant
Colonial Foundation	University of New South Wales	\$1,158,221	Project grant
Sidney Myer Fund	Abbotsford Convent	\$1,000,000	Capital grant
AMP Foundation Limited	Australian Red Cross Society	\$1,000,000	Project grant
The Clive and Vera Ramaciotti Foundations	Children's Medical Research Institute	\$1,000,000	Research award
The Myer Foundation	ClimateWorks Australia	\$1,000,000	Establish centre
The Myer Foundation	ClimateWorks Australia	\$1,000,000	Establish centre
The Myer Foundation	ClimateWorks Australia	\$1,000,000	Establish centre
The Clive and Vera Ramaciotti Foundations	Monash University	\$1,000,000	Research award
TOTAL LARGE GRANTS		\$44,258,221	

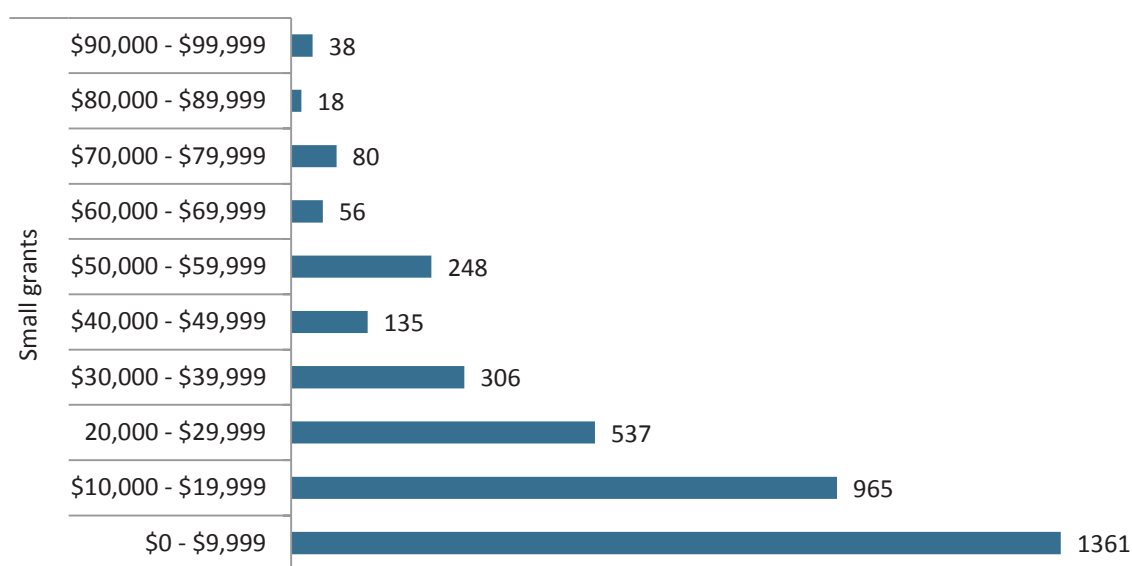
Type of large grants



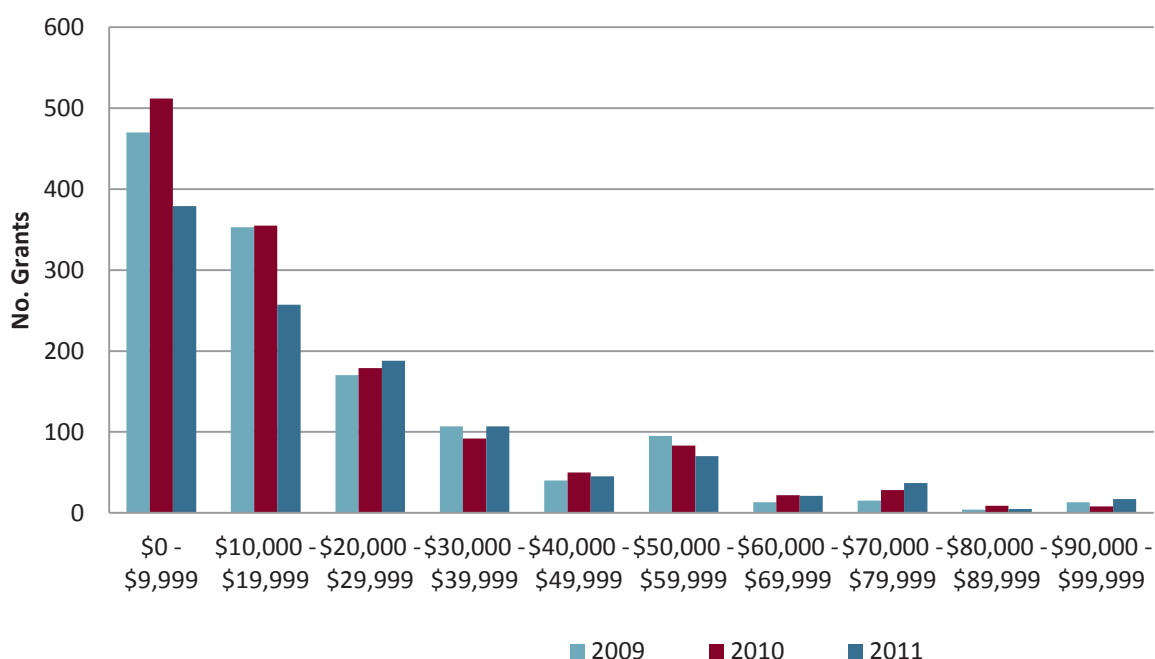
Smaller grants (\$0 - \$99,999)

Of the 1,361 grants in the \$0-\$9,999 some 234 are under \$1,000 and are part of the AMP Foundation matching gifts program. Given the large number of small grants, it would be easy to assume that the AMP Foundation matching gifts program is skewing the data. However, a closer look reveals that 80% of all grants made are for less than \$50,000. Lots of these small grants go to preschools, public primary schools and secondary schools for a range of activities such as sport, music and learning programs.

Number of smaller grants, banded by value (total=3,744)



Number of grants by year (smaller grants)



5.1 Where the money goes: recipient organisations

In Australia, philanthropic foundations are usually required by law to fund only those organisations that are classified as charities under Australian tax law and have Deductible Gift Recipient (DGR) status (see Appendix 4). However, as some of these older foundations and trusts were set up as a result of wills or bequests and did not receive tax deductibility at the time of establishment, they are able to give to a wider set of organisations. Therefore, unlike Private Ancillary Funds (PAFs) for example, some of these foundations are able to make grants to local government, public schools and sporting organisations.

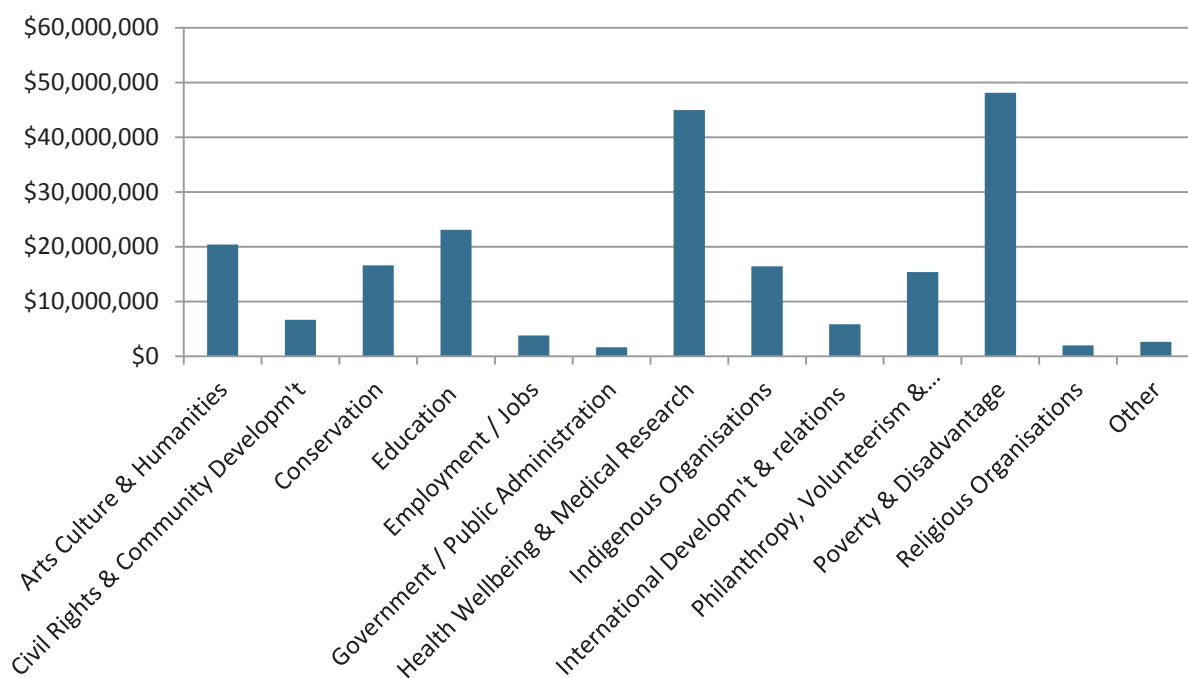
In analysing where the money goes, in some cases, the recipient organisation and the issue or cause being funded may not have the same categorisation. For example, the recipient organisation might be an art gallery - so would be classified as an arts organisation. However the art gallery's funded program may be for those with a disability and so the grant would be classified under disability as the cause or issue, not arts.

Classification of recipient organisations

We have used Philanthropy Australia's 'Grant Classification Scheme' as the guiding framework (see Appendix 9.6).

- **Recipient organisation name:** We have used the Trading Name as the recipient name, as the registered name may not be in common use, but we have also collected ABNs for cross reference. In regard to universities:
 - o Where there is a well-known institute / centre of excellence linked to a university then the **institute / centre of excellence is the recipient** and the university the subunit
 - o Where the recipient is a faculty of the university then the **university is the recipient** and the **faculty the subunit**
- **Description of recipient organisation:** We have used recipient organisations' description of their services as a guide to classification eg. Arts Access Victoria's mission is: People with a disability creating art, experiencing art and working in the arts (Arts Access Victoria 2013) Therefore it is classified under Disability - not Art.
 - o **Conservation** – includes both Environment and Animal Welfare
 - o **Philanthropy, Volunteerism & Grantmaking Foundations** – includes Macpherson Smith Rural Trust, Ian Potter Cultural Trust and Foundation for Rural and Regional Renewal (FRRR)
 - o **Government / Public Administration** – primarily includes local governments that were recipients of funding after the Victorian Bushfires of 2009.
 - o **Other** – includes disaster recovery, recreation & sports, science & technology

Total grants 2009-2011 to recipient organisations



While many well-known charities received between five and 10 grants from this group of foundations, the following 24 organisations received more than 11 grants each from this group of foundations over the years 2009-2011. These 24 organisations received a combined total of \$48.32m from a total of 481 grants over three years – a large amount of grants in a relatively short amount of time. However the total value of grants received by each organisation varies significantly.

Total value of grants 2009-2011

Recipient Organisation	Total value of grants \$	No. of Grants
Orygen Youth Health	\$10,633,838	11
Florey Neurosciences Institute	\$7,576,200	11
Monash University	\$3,646,505	31
Australian Red Cross	\$3,534,385	17
University of Melbourne	\$2,840,358	66
University of New South Wales	\$2,711,950	18
Foundation for Rural & Regional Renewal (FRRR)	\$2,636,500	23
Asialink Centre	\$2,634,000	12
The Smith Family	\$1,804,279	21
Mission Australia	\$1,580,067	18
Clontarf Foundation	\$1,436,936	12
The University of Sydney	\$1,098,651	19
La Trobe University	\$1,003,937	27
RMIT	\$858,846	15
Brotherhood of St Laurence	\$767,568	15
Asylum Seeker Resource Centre	\$729,415	16
Salvation Army (incl. all states)	\$684,065	18
Deakin University	\$505,136	16
Cancer Council of Australia (incl. all states)	\$365,284	24
Cystic Fibrosis	\$332,465	18
Sydney Children's Hospital	\$322,323	20
Anglicare (incl. all states)	\$252,907	12
Ronald Macdonald Houses	\$195,457	18
St Vincent de Paul Society (incl. all states)	\$173,795	23
TOTAL	\$48,324,867	481

5.2 Where the money goes: subject/cause

The primary purpose of this report is to look at what issues or causes the 12 foundations supported during 2009-2011.

All the grants were classified against Philanthropy Australia's 'Grants Classification Scheme' (see *Appendix 9.6*) as the guiding framework. Designed to help trusts and foundations to classify, describe and report on their grant-making activities, the Classification System provides a pre-determined, controlled vocabulary from which foundations can select those terms which best suit their needs.

Grant classification

We have used the foundation's description of their grant as the primary guide to classification.

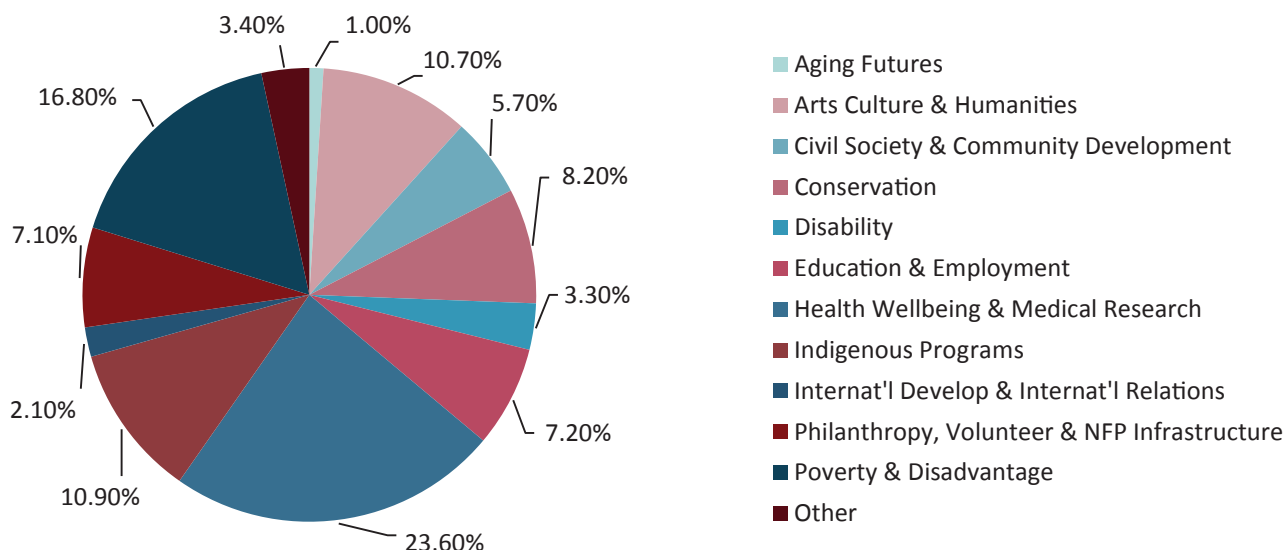
While many grants could be classified under several subjects or fields (eg CALD Communities and Education) we have used the foundation's description of their grant as a guide to classification. For example, if the program is to help people with a disability create art, we have interpreted the emphasis of the program as helping people with a disability and so have classified this under Disability - not Arts. In each case we have been careful to ensure the grant is classified only once to ensure there is no double counting.

We have used the Program Areas under Philanthropy Australia's Grant Classification to classify grants by subject or field of activity. For clarification we have classified grants to the following groups accordingly:

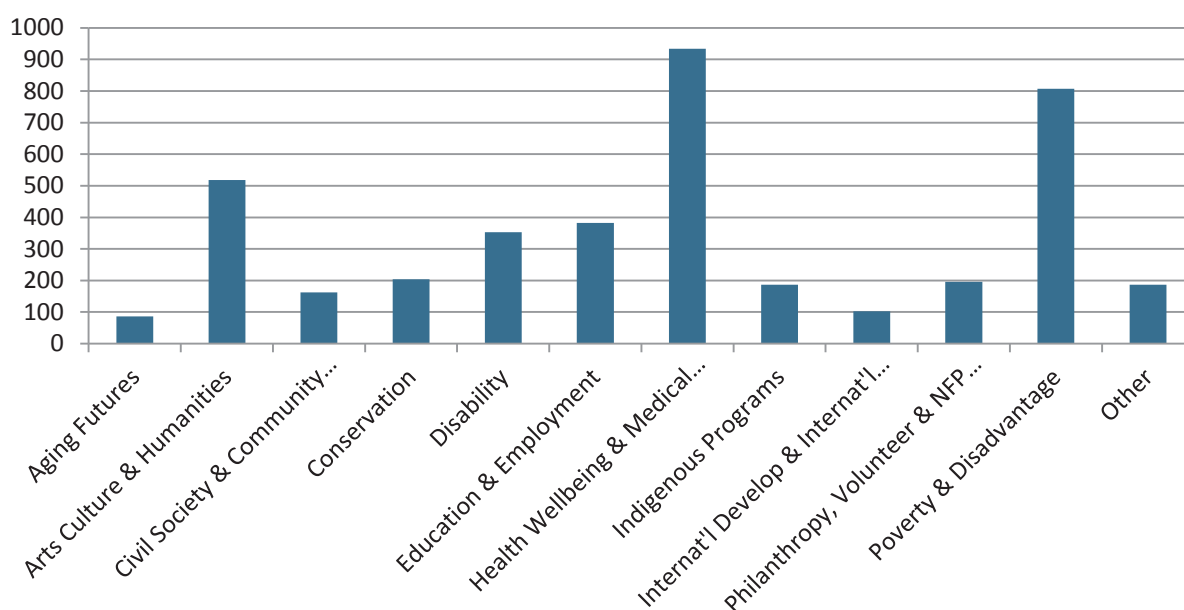
- Scout organisations = Civil Society, citizen participation
- Surf Lifesaving Clubs = Health Wellbeing & Medical Research, public health & safety; Recreation & sport, surf
- Children's Day Care Centres = Education, preschool & kindergarten
- Mentoring Programs = Education and classification, depending on to whom it is targeted

A total of 4,121 grants to a total value of \$207.3 million, for the combined years 2009-2011, were assessed.

Total value of grants 2009-2011 by subject/cause

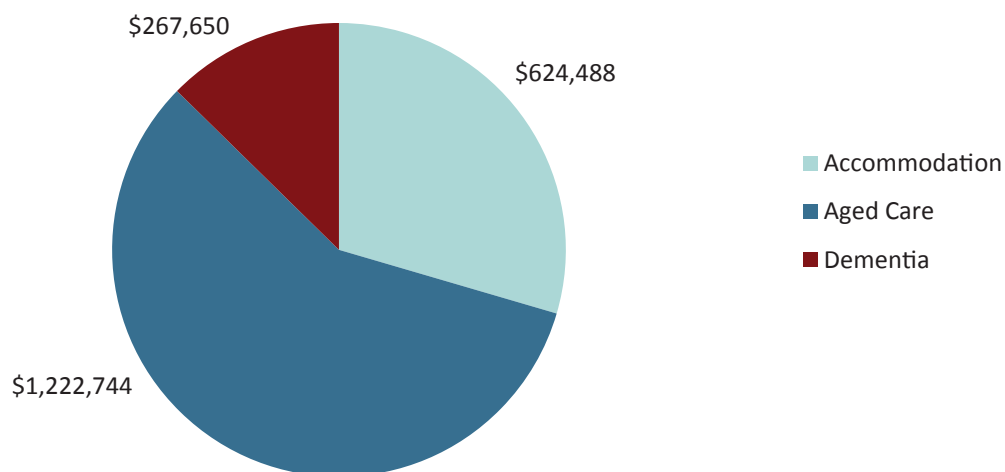


Total number of grants 2009-2011 by subject/cause



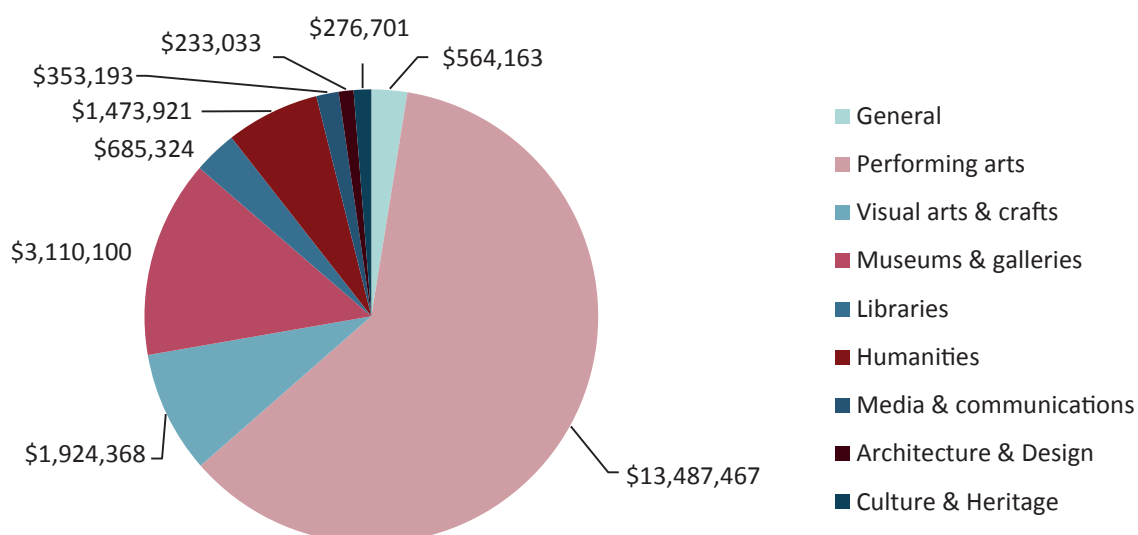
For the purposes of this report the following graphs show the classification of grants at a high level. A more detailed breakdown is contained in *Appendix 9.5* of this report. In addition, further analysis of this data set can be undertaken at a more granular level of detail.

5.2.1 Aging futures 2009-2011



Aging futures	\$	No. of grants
Accommodation	624,488	23
Aged care	1,222,744	57
Dementia	267,650	6
Total	\$2,213,882	86

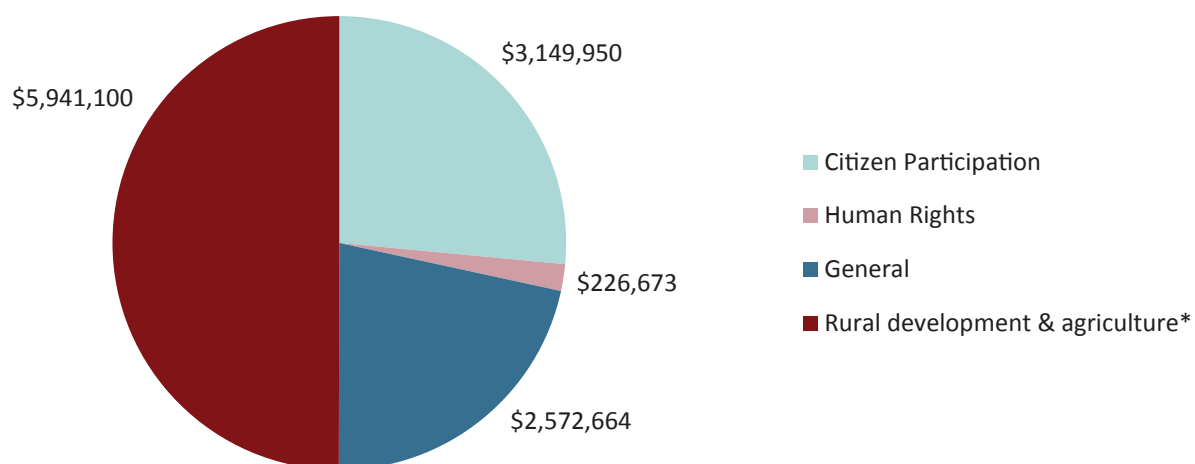
5.2.2 Arts, culture & humanities 2009-2011



Arts, culture & humanities	\$	No. of grants
General (incl. environment, poverty etc)	564,163	30
Performing arts [see breakdown Appendix 5]	13,487,467	266
Visual arts & crafts	1,924,368	84
Museums & galleries*	3,110,100	38
Libraries	685,324	11
Humanities	1,473,921	53
Media & communications	353,193	18
Architecture & design	233,033	3
Culture & heritage	276,701	15
Total	\$22,108,270	518

*\$1m Sidney Myer Fund grant to Abbotsford Convent

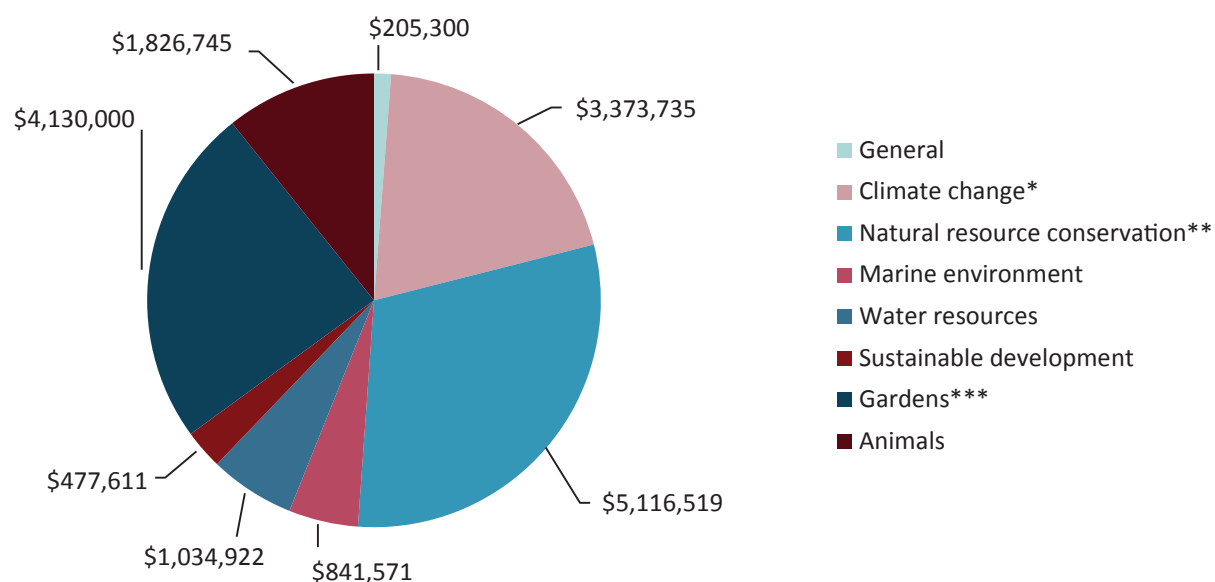
5.2.3 Civil society & community development 2009-2011



Civil society & community development	\$	No. of grants
General	2,572,664	78
Citizen participation	3,149,950	54
Human rights	226,673	13
Rural development & agriculture*	5,941,100	16
Total	\$11,890,387	162

*\$5m Helen Macpherson Smith Trust endowment grant for the Macpherson Smith Rural Foundation

5.2.4 Conservation 2009-2011



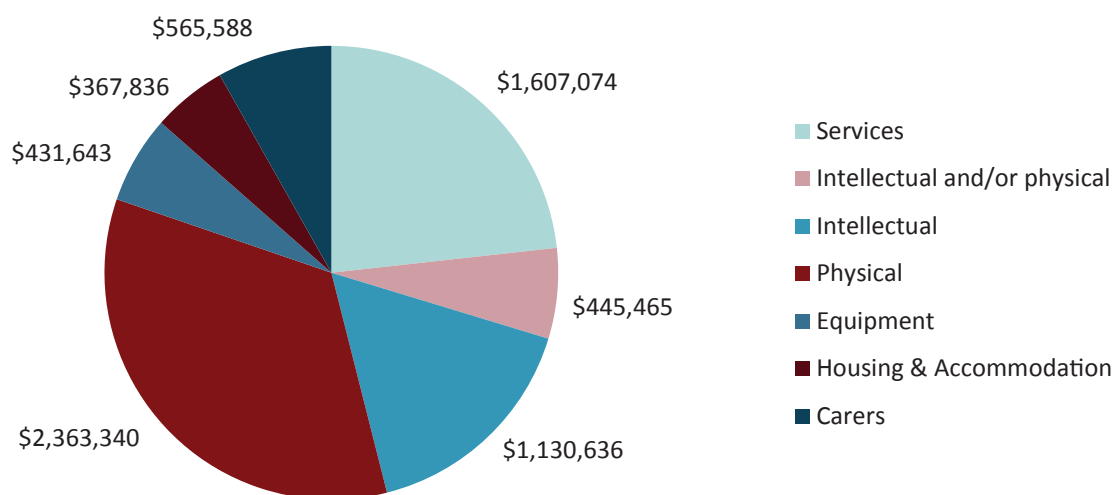
Conservation	\$	No. of grants
General	205,300	7
Climate change*	3,373,735	8
Natural resource, conservation & preservation**	5,116,519	68
Marine environment	841,571	19
Water resources	1,034,922	7
Sustainable development	477,611	22
Gardens***	4,130,000	8
Animals	1,826,745	67
Total	\$17,006,403	206

*\$3m The Myer Foundation (3 grants totaling \$3m) to ClimateWorks Australia

**\$2m Sidney Myer Fund grants (2 grants totaling \$2m) to Bush Heritage Australia

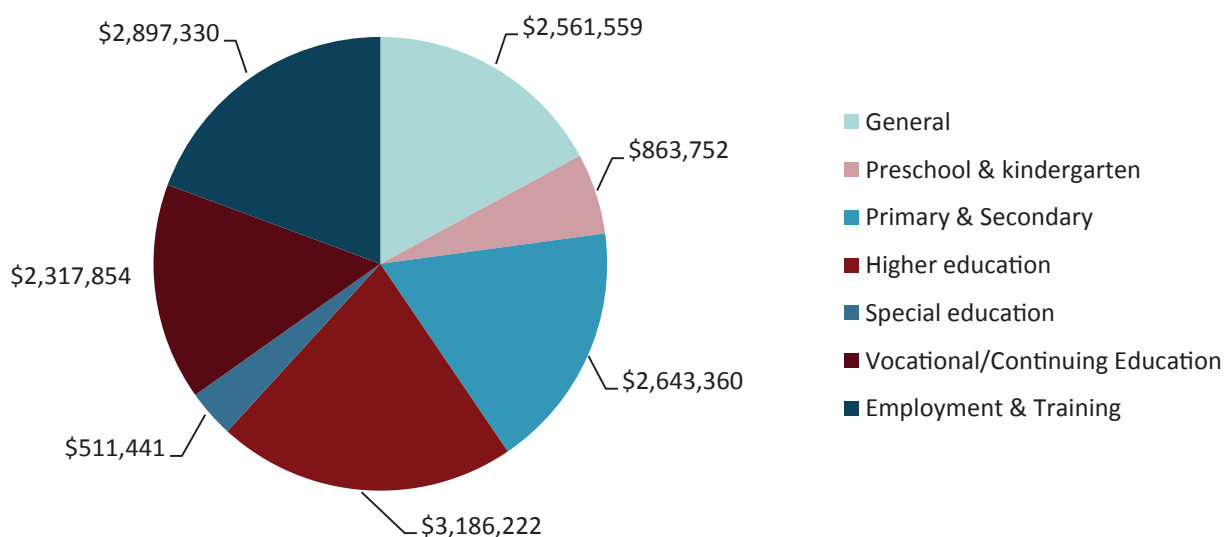
***\$2.5m Ian Potter Foundation grants (2 grants totaling \$2.5m) to Royal Botanic Gardens Melbourne

5.2.5 Disability 2009-2011



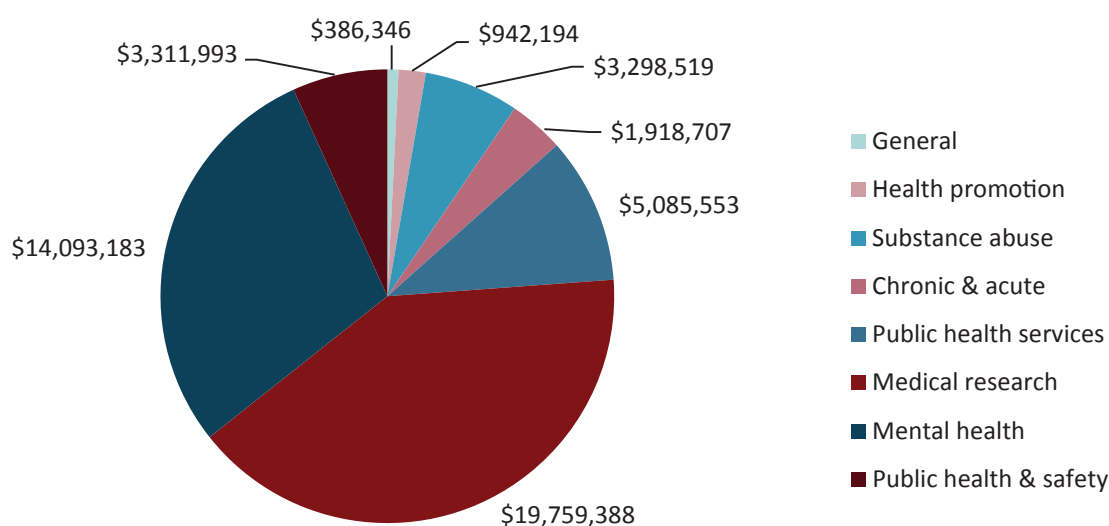
Disability	\$	No. of grants
Services to people with disabilities	1,607,074	76
Services to people with intellectual and or physical disabilities	445,465	35
Services to people with intellectual disabilities	1,130,636	55
Services to people with physical disabilities	2,363,340	133
Equipment for people with disabilities	431,143	26
Housing & accommodation	367,836	6
Carers for people with disabilities	565,588	22
Total	\$6,911,582	353

5.2.6 Education & employment 2009-2011



Education & employment	\$	No. of grants
General (incl. public education programs)	2,561,559	31
Preschool & kindergartens	863,752	46
Primary & secondary schools	2,643,360	152
Higher education	3,186,222	57
Special education	511,441	19
Vocational/continuing Education	2,317,854	44
Employment & training	2,897,330	33
Total	\$14,981,518	382

5.2.7 Health wellbeing & medical research 2009-2011

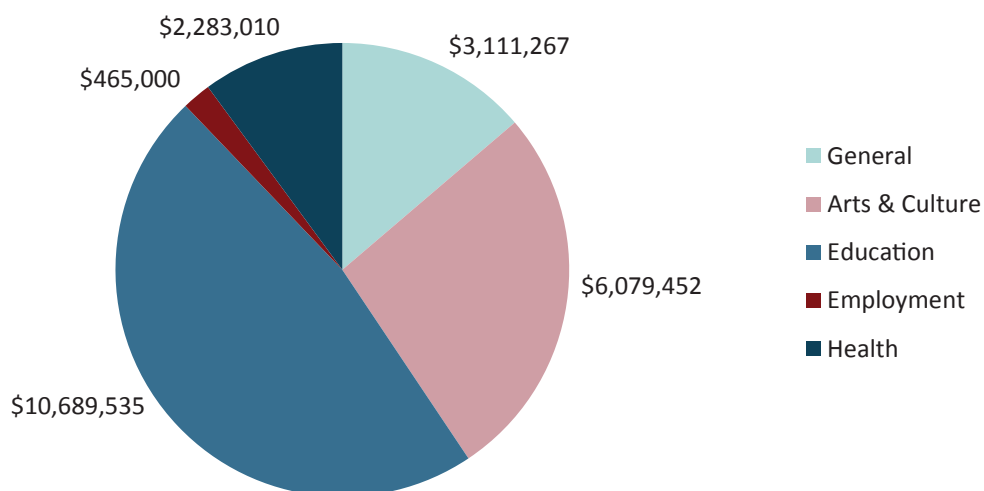


Health wellbeing & medical research	\$	No. of grants
General (incl. reproductive health)	386,346	19
Health promotion & prevention	942,194	38
Addiction & substance abuse (esp. alcohol, nicotine & drugs)	3,298,519	57
Chronic & acute conditions (incl. cancers, diabetes etc)	1,918,707	189
Public health services (incl. hospitals, clinics etc)	5,085,388	224
Medical research [see breakdown Appendix 5]	19,759,388	252
Mental health*	14,093,183	102
Public health & safety (incl. cyber safety)**	3,311,933	53
Total	\$48,795,883	934

*\$10.4m Colonial Foundation grants (3 grants totaling \$10.4m) to Orygen Youth Health

**\$1.5m Sidney Myer fund grant to Country Fire Authority

5.2.8 Indigenous Programs 2009-2011



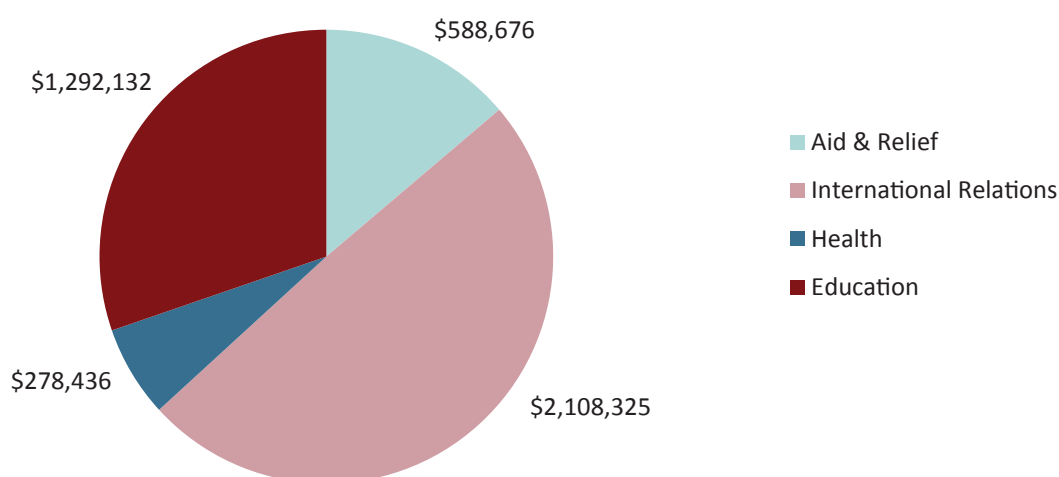
Indigenous Programs	\$	No. of grants
General (incl. poverty alleviation & non-profit infrastructure)	3,111,267	32
Arts & culture*	6,079,452	64
Education**	10,689,535	62
Employment & training	465,000	3
Health	2,283,010	26
Total	\$22,628,264	187

*\$1.5m Ian Potter Foundation grant to the Kimberley Foundation Australia

**\$1.2m Telstra Foundation grant to the Stronger Smarter Institute

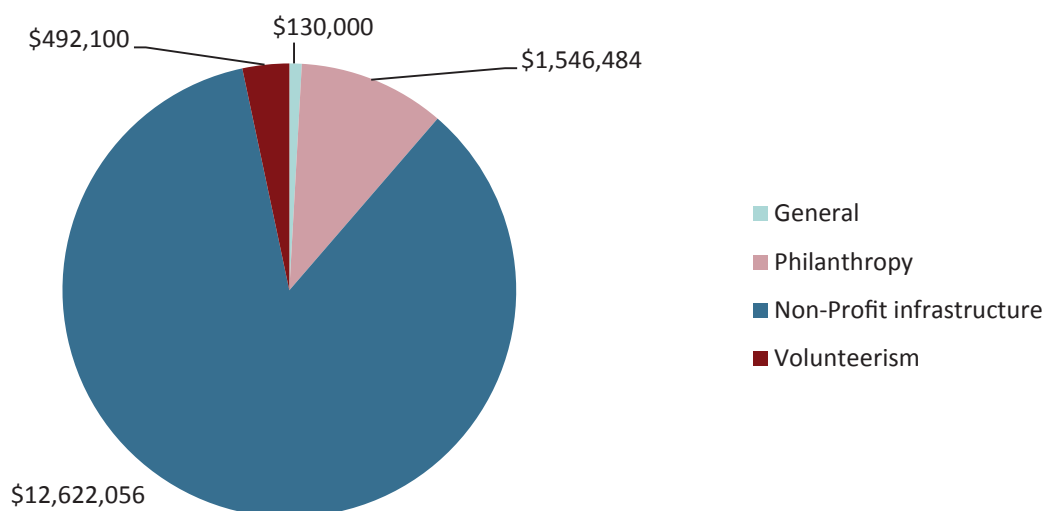
\$1.2m Sidney Myer Fund grant to the Stronger Smarter Institute

5.2.9 International development & international relations 2009-2011



International development & international relations	\$	No. of grants
Aid & relief	588,676	70
International relations (particularly with SE Asia)	2,108,325	22
Health	278,436	4
Education (particularly in PNG)	1,292,132	7
Total	\$4,267,569	103

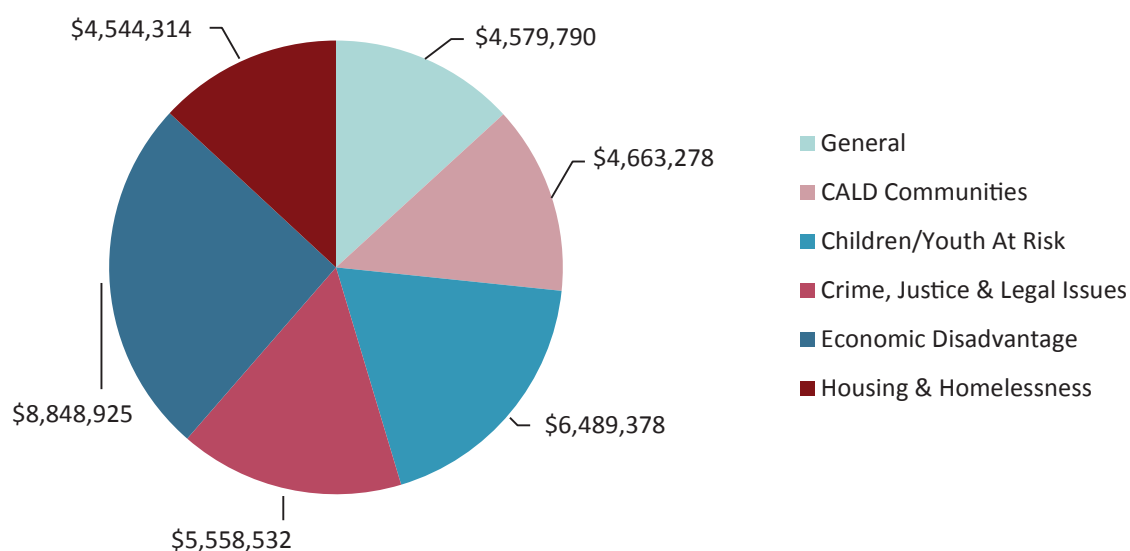
5.2.10 Philanthropy volunteerism & non-profit infrastructure 2009-2011



Philanthropy volunteerism & non-profit infrastructure	\$	No. of grants
General	130,000	6
Philanthropy	1,546,484	21
Non-profit infrastructure*	12,622,056	157
Volunteerism	492,100	8
Total	\$14,790,640	192

*Includes The Myer Foundation and Sidney Myer Fund Commemorative Grants Program

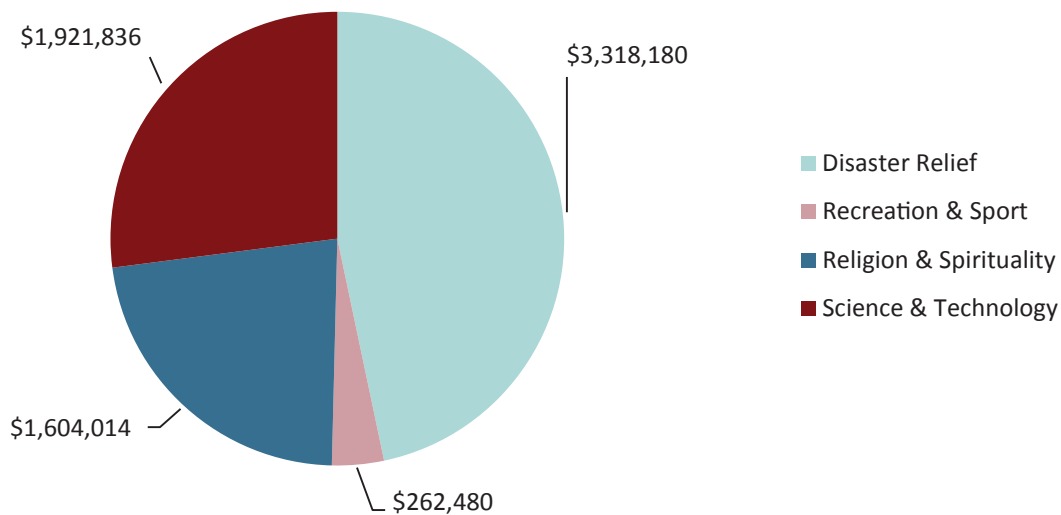
5.2.11 Poverty & disadvantage 2009-2011



Poverty & disadvantage	\$	No. of grants
General	4,579,790	145
CALD communities	4,663,278	109
Children/youth at risk	6,489,378	165
Crime, justice & legal issues	\$5,558,532	70
Services to economically disadvantaged/low income	8,848,925	278
Housing & homelessness*	4,544,314	42
Total	\$34,684,217	809

*\$2m The Myer Foundation grants (2 grants totaling \$2m) to Melbourne Affordable Housing

5.2.12 Other 2009-2011



Other	\$	No. of grants
Disaster relief	3,318,180	38
Recreation & sport	262,480	19
Religion & spirituality	1,604,014	76
Science & technology	1,921,836	54
Total	\$7,106,510	187

6 Comparative analysis

In the September 2012 edition of *Alliance magazine*, Larry McGill, Vice President for Research, Foundation Center, wrote in his article “*Data for good*”, that for an individual foundation, what is most important is ‘market intelligence’: understanding potential constituencies; unmet needs among those constituencies; mechanisms for meeting those needs; and the work of other organisations operating in that market. This includes compiling data on the activities of other foundations, as well as bilateral and multilateral organisations that are working on these problems or issues. What are their theories of change? What types of interventions are they engaged in? What organisations on the ground do they work with? How does the work of your foundation fit into this picture? McGill says that having access to data in each of these areas minimizes the risk of making poor investment decisions. Put another way, data gives foundations their best shot at making a difference through their work. Just as in the business world, though, this does not guarantee impact. Nor does it eliminate risk. Minimizing risk, he says, is the only thing that foundations have any power to control.

New search technology is allowing a more creative use of comparative information. By carefully building data in a format that can be used to link with other data and research, we can provide context to decision making. Using this data for predictive purposes will assist measurement, evaluation and a greater understanding of social impact. Illuminating trends, gaps, and innovation will encourage foundations to build on each other’s ideas to increase impact for the benefit of the community.

In particular, geographic mapping of funding using sophisticated data visualisation tools will help facilitate gap analysis as “place” becomes increasingly recognised as a critical element in addressing many social problems, while heat maps can be used to identify areas of unmet need.

International approaches

The idea of creating more common data sets relevant to philanthropic work is becoming a central concern of associations of foundations around the world, including the [China Foundation Center](#), [Grupo de Institutos Fundações e Empresas \(GIFE\)](#) and the [Centro Mexicano para la Filantropía \(CEMEFI\)](#). Philanthropic Foundations of Canada (PFC) surveyed their members with the goal of creating a data set with detail about their members’ areas of current grant-making activity. PFC plans this Canadian data set could also be linked to the Foundation Center’s *Philanthropy In/Sight*, a web-based data visualisation tool for philanthropy.

The US Foundation Center (2013b) is the leading source of information about philanthropy worldwide. Their newest tool, *Philanthropy In/Sight*, is an interactive mapping tool designed for grant makers, policymakers, researchers, academics and virtually anyone interested in the impact of philanthropy around the world today. It combines data on grant-makers and their grants with familiar Google maps to tell the story of philanthropy. The Foundation Centre in the US articulated a strategic plan in 2011 that features as one of its six priorities the building of a global data platform for philanthropy. The Centre’s goals are to generate more, better and deeper data; better systems for collecting, classifying and interpreting the data and on-demand access to the data. The Centre’s platform of *Philanthropy In/Sight* provides both a model and an opportunity to share Australian data with a global field and to benefit from the sophisticated data visualisation tools already being deployed in the US.

At the same time, WINGS, the global association of grant-maker associations, has adopted a strategic priority around the building of data platforms. WINGS, in partnership with the Foundation Center, is undertaking a global data collection project on philanthropy through a new initiative called the WINGS Philanthropy Data Network. WINGS states that “*it is paramount that the information collected by the field can be compared and aggregated, improving the infrastructure for the sector, instead of becoming an end in itself. WINGS’ data collection project strives to fill this gap*” (World Initiatives for Grantmaker Support 2013).

More recently, in October 2012, the Foundation Center and TechSoup Global announced a strategic alliance that will leverage their expertise in data management,

analysis, and visualisation to unlock the power of information for the social sector worldwide (Foundation Center 2013a). Together, the two organisations possess sets of not-for-profit data that are among the largest in the world. Their extensive and complementary networks of individuals and organisations will facilitate efforts to provide knowledge, training, and tools to help civil society organisations around the world operate more efficiently and increase their impact. The Foundation Center and TechSoup Global are exploring opportunities to co-host events, conduct analysis of their combined data sets, and cross-pollinate content with the aim of sharing knowledge and insights with wider audiences in the sector.

On an individual foundation level, the William and Flora Hewlett Foundation in the US has developed with the Foundation Center a simple database under open-source technology and licenced under Creative Commons. It is available for free and has been developed for use by a single organisation to provide a snapshot of the organisation's grants. However it has a very limited search capability and does not provide a sector view or a sense of geography.

Other relevant international initiatives include:

- Philanthropic foundations that make online grant proposals available online through open, visible, public portals such as:
 - o Knight Foundation's Knight New Challenge
 - o The [John D. and Catherine T. MacArthur Foundation's](#) Digital Media and Learning initiative
 - o The William and Flora Hewlett Foundation's Open Educational Resources
- *Markets for Good* is an initiative by the [Bill & Melinda Gates Foundation](#), the [William & Flora Hewlett Foundation](#) and the financial firm [Liquidnet](#), to improve the system for generating, sharing, and acting upon data and information in the social sector. Their vision is of a social sector powered by information; where interventions are more effective and innovative; where capital flows efficiently to the organisations that are having the greatest impact; and where there is a dynamic culture of continuous learning and development.

- New Philanthropy Capital has worked with the Oak Foundation to promote the open data agenda, and has been supporting the UK Ministry of Justice in developing the Justice Data Lab. Organisations working to rehabilitate offenders at a local level will have access to high-quality re-offending data specific to the group of offenders they have been working with. This will allow them to focus only on what works, better demonstrate their effectiveness and ultimately cut crime in their area.

Australia

The development of information technologies and the increasing connectivity of philanthropic networks globally will provide opportunities and the motivation to create a data platform for philanthropy in Australia.

The potential of a big data approach is greatly enhanced by access to the 2011 Census data. This provides up-to-date statistics on most of the key societal conditions of interest to the philanthropic sector.

There is therefore the chance to formulate a strategy around data collection and aggregation. Such a data set should be formulated from the beginning as a set that generates reports open to practitioners, researchers, academics and policy makers with the goal of accelerating knowledge development and to build awareness of organised philanthropy's impact.

Example of comparative analysis

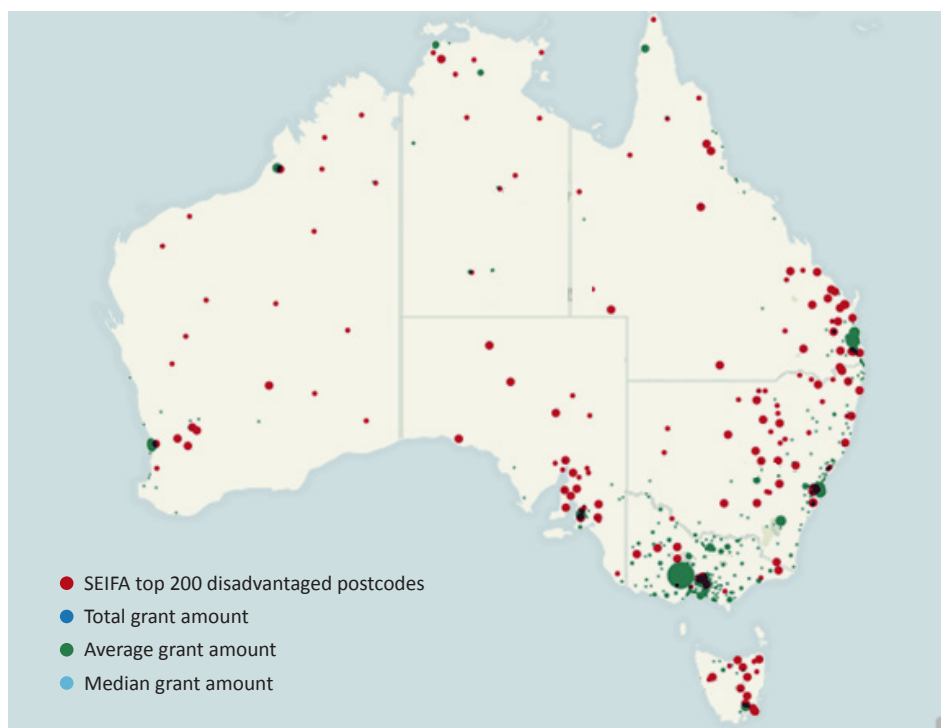
For some initial comparisons we used the Socio-Economic Indexes for Areas (SEIFA) scores developed by the Australian Bureau of Statistics (ABS) (Australian Bureau of Statistics 2013) especially for those interested in the assessment of the welfare of Australian communities. The ABS has developed four indexes to allow ranking of regions/areas, providing a method of determining the level of social and economic well-being in each region.

Each of the four indexes summarises different aspects of the socio-economic conditions of people living in an area; each is based upon a different set of social and economic information from the 2006 Census. The indexes provide more general measures of socio-economic status than is given by measuring, for example, income or unemployment alone.

Using correlations of both total grant value and number of grants given to recipient organisations in the fields of human services, education and housing, against the SEIFA disadvantage score there was only a very slight correlation suggesting organisations receiving grants were less likely to be in areas of high disadvantage (larger red dots).

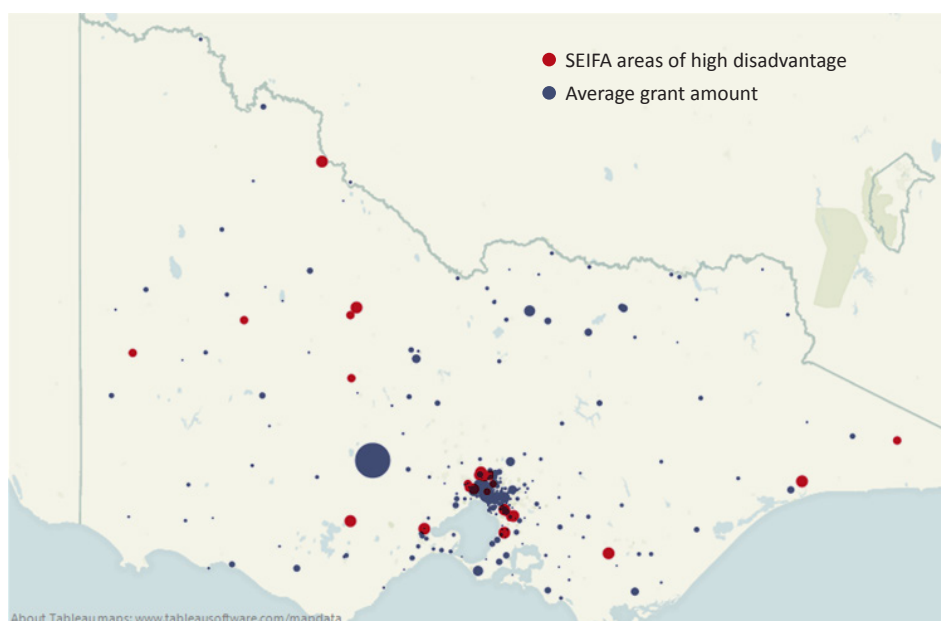
However this result could be caused by the concentration of the head offices of grant recipients being located in the capital cities. For example a large concentration of grants (green dots) located at Bendigo, Victoria is to the Foundation for Rural and Regional Renewal (FRRR), particularly for their small grants programs to rural and regional communities across Australia, and for their co-ordination of grants in response to the Victorian bushfires. Similarly the Stronger Smarter Institute, based in Caboolture just north of Brisbane, co-ordinates grants to Indigenous schools all across Australia.

Even so, the lack of correlation between the SEIFA scores and the spread of grants does raise the question of whether those most disadvantaged areas are receiving adequate support.



Source: Australian Bureau of Statistics (2013)

As 10 out of the 12 foundations included in this report are based in Victoria, with some foundations restricted to granting in Victoria only, a fairer comparison can be made by looking at Victoria. Here it is clear that the spread of grants is wide across Victoria, with the large blue dot primarily for grants made through The Foundation for Rural and Regional Renewal. However, there is still less of a correlation between grants and SEIFA areas of high disadvantage than might be expected.



Source: Australian Bureau of Statistics (2013)

Mapping disadvantage

In February 2007 a major report mapping levels of social disadvantage right across Australia entitled *"Dropping off the edge"* (Vinson 2007) was released. The report, by Professor Tony Vinson for Jesuit Social Services and Catholic Social Services Australia (Vinson 2007), found that despite Australia's strong economic growth, some communities remain caught in a spiral of low school attainment, high unemployment, poor health, high imprisonment rates and child abuse. As a result, pockets of concentrated and severe social disadvantage had become entrenched across rural and remote as well as suburban Australia.

Vinson (2007) found that in 2007 just 1.7% of postcodes and communities across Australia account for more than seven times their share of top rank positions of the major factors that cause inter-generational poverty, including: low income, limited computer and internet access, early school leaving, physical and mental disabilities, long-term unemployment, prison admissions and confirmed child maltreatment.

Such is the entrenchment of disadvantage, that despite best efforts the top 40 rankings in 2006 and

comparable lists for 2004 and 1999 were very similar for NSW and Victoria. It also found that in every state, a low number of communities are massively over-represented when it comes to the factors that cause or demonstrate disadvantage. The report called for more Commonwealth led initiatives to reduce disadvantage, starting in 10 areas of high national priority. In NSW these areas were Windale, Bowraville/Kempsey and in Victoria they were Braybrook and Rosebud.

From all the grants made by the 12 foundations over 2009-2011 only three grants totalling \$21,000 were made directly into Bowraville/Kempsey with an additional \$2,000 to a nearby village. No grants were made directly into Windale but five grants totalling \$121,514 were made to the nearby John Hunter Hospital and three grants totalling \$86,500 were made to The University of Newcastle. In Victoria four grants were made directly into Braybrook totalling \$70,574 while only one grant of \$132,000 was made directly to Rosebud / Rosebud West. One small grant of \$1,000 was made to the nearby St John's Church in Sorrento.

Area	Grants made 2009-2011		No. of grants made to local area
NSW			
Windale 2306	None	\$0	5 grants totalling \$121,514 to John Hunter Hospital (2305) 3 grants totalling \$86,500 to The University of Newcastle (2308)
Kempsey 2440	2 Grants	\$18,400	1 grant totalling \$2,000 to Stuart’s Point (2441)
Bowraville 2449	1 grant	\$2,600	
Victoria			
Braybrook 3019	4 grants	\$70,574	1 grant totalling \$1,000 to St John’s Church Sorrento (3943)
Rosebud 3939	1 Grant	\$132,000	
Rosebud West 3940	None	\$0	

Fairly or unfairly the question then is why so little money in 2009-2011 went directly into these areas of high need identified in 2007?

- Is it because places like Braybrook are gentrifying and no longer need the support?
- Is it because most of the support for these areas goes via the head office of the major charities, which are mostly located in and around the centre of the capital city?
- Is it because these areas lack the social capital, links and networks to approach philanthropic foundations for support?
- Is it the role of philanthropic foundations to support these communities?

It may not be deemed reasonable to expect to track directly grants in this report to those areas/suburbs above as this would require the grant recipient organisations to be headquartered (and have postal addresses) at these locations. A much more detailed analysis of the individual grants made would be required to show where participant/beneficiaries of philanthropically-funded programs and projects are located, or where specific projects are being implemented, rather than simply looking at organisational details.

An analysis of the work and programs (including the philanthropically funded ones) of the larger agencies may well show a closer correlation between philanthropic gifts and areas of need.

7 Reflections

In the philanthropic sector there is a well-known truism: *“If you’ve met one foundation, you’ve met one foundation”*. This highlights the variety and uniqueness of each foundation and the challenge of comparing data from one foundation with another.

Stated purposes and strategy are the starting point for this individualism demonstrated by foundations. Vanessa Meachen’s (2009) Philanthropy Australia publication *A Grant Seeker’s Guide to Trusts & Foundations* states that first and foremost foundations must be guided by the directions of the original benefactor(s) as expressed through the Will or Trust Deed by which the foundation was created. It may seem at first glance that some foundations’ purposes are out of date or have little relevance to current community needs, but under charity law a foundation must fulfil the purposes for which it was established, unless it is unable to do so.

This report then provides only a glimpse into where 12 individual philanthropic foundations grants go and by no means represents the whole philanthropic sector. However there are some observations from this analysis that I believe are broadly applicable to the whole philanthropic sector.

- The overwhelming concentration of grants made are for under \$100,000. In fact a closer look reveals that 80% of all grants made are for less than \$50,000. It appears that generally these foundations combine a few very large multi-year philanthropic grants with a relatively extensive small grants program. In practice this operates on a spectrum with Colonial Foundation, at one end, making a few large, very targeted strategic grants to be paid over a number of years, compared with AMP Foundation, a corporate foundation, at the other end of the spectrum, with a few large strategic grants combined with hundreds of small grants matching employee donations, fundraising and volunteering efforts.
- These foundations fund similar organisations with many well-known charities receiving between five and 10 grants from this group between 2009-2011. Despite this, the breadth and number of organisations funded was much wider than anticipated.

- Within the dataset, there are only a small number of co-funded projects. With the exception of the funding for recovery after the Victorian bushfires and funding for the Stronger Smarter Institute by the Sidney Myer Fund and the Telstra Foundation, there is appears little evidence of collaboration. Indeed, in the few cases where foundation collaboration has occurred it seems to be influenced by a combination of personal relationships between staff across foundations, and by the attitudes and personal outlooks of trustees. The impression is that each foundation chooses its own focus and deliberately develops its own independent funding program. As a result, strong partnerships are built with individual recipient organisations rather than with other foundations.

This may in part be a result of the variety, restrictions and/or flexibility of foundation trust deeds. The Myer Foundation makes use of its more flexible trust structure by funding quite different programs. For example The Myer Foundation funds a three year project, the Australia Indonesia BRIDGE Project, with The Asia Education Foundation and the Australia Indonesia Institute (through the Department of Foreign Affairs & Trade), to expand Indonesian and Australian school students’ and teachers’ understandings of language, traditional and contemporary culture, society and history of both countries.

- However the most striking impression is that most foundations don’t use their data effectively and don’t compare their data with others. With the exception of the RE Ross Trust and the Telstra Foundation, most found it an issue to access their data in a ready format. Stakeholder workshops highlighted the fact that most staff didn’t really know how to use the data they have or the possible uses of comparative data. Given the extensive amount of detail collected by foundations, over time, on the projects they fund, there seems to be a wonderful opportunity to make much greater use of this data to inform not only the individual foundation’s grant-making, but also to feed into the wider philanthropic and not-for-profit sector.

Lucy Bernholz (2013b), who writes extensively on philanthropy, technology, information and policy, notes in her blog *“Changing our Data Defaults”*, that most of the information that organisations collect on their work never gets shared outside of their own staff meetings. This, Bernholz (2013b) says, is not because it’s proprietary or scandalous, but because that’s the way it was done in the pre-internet publish-it-once world. *“Nonprofits don’t live in that world anymore, none of us do. If we’re going to scale any of our efforts to solve social problems we’ve got to make much better use of the fastest scaling tool humans have ever built: open data”* (Bernholz 2013b).

- With no pre-existing public database on philanthropic grants, we have individually collected, collated and entered the information – a long, expensive and resource intensive exercise. The future of a sustainable database is reliant on identifying sources of data and other databases in a user-friendly format, collected in a cost effective manner. Lucy Bernholz (2013b) offers a suggestion.

In her blog, *“Big philanthropic data with a purpose”*, Bernholz (2013a) asks whether open pools of grant applications to foundations (and other funding sources) could serve a dual purpose - funding proposals to the foundation (their stated purpose) and a data source on an issue (their big data purpose)? Bernholz (2013a) has long advocated the potential of opening up all foundation grant proposals as a means of seeing what applicants think is important; a source of ideas, trends, and useful data. She believes the aggregate pool of applications to foundations (and other funding sources) would provide some “big data” on the ideas people have, programs that are out there, and practices in place for making communities better.

8 Conclusions & recommendations

Jacob Harold (2013), President and CEO of GuideStar USA asks, in a recent Greater Good blog post, can we as social change actors – whether donors or not-for-profit executives or researchers – demonstrate the emotional maturity demanded by something as uncertain, diverse, and consequential as data about social change? Can we relax our relationship with data so that we can make good use of them without being overwhelmed or misled? Harold believes the answer is yes—and offers two basic principles:

- First, information is meant to inform, not decide. If we ever let data offer only one explanation, or one interpretation, we will become robotic in our practice. Data are meant to complement intuition and stories, not to replace them.
- Second, embrace many sources of data. The not-for-profit sector is simply too complex for any single measure of performance. We need a variety of measures—from randomised controlled trials to beneficiary reviews to financial analysis—to tell the full story of social change.

This report is merely a glimpse into the world of philanthropic foundations in Australia. Its aim is to demonstrate the value of data collection and analysis to assist philanthropic foundations and philanthropists in more purposeful grant-making, and to demonstrate to the wider community how private wealth helps the public good.

While this project collected limited basic information on grants, it nevertheless provides a fundamental first step towards greater understanding of creating social impact. Using philanthropy as an entry point, long term aims of data collection would be to facilitate sector and academic research to inform positive social change.

It is anticipated that this type of information will not only be useful to academic researchers but also for philanthropists, social investors, governments at all levels, and not-for-profits, as they all grapple with how to make lasting beneficial social impact.

Potential uses of the information include:

- Supporting philanthropists and philanthropic foundations to better inform their future grant-making with a picture of where other grants are

flowing. It can also potentially enable foundations to avoid duplication in their granting; identifying under-served communities and geographic regions and the hard-to-reach. Additional benefits include the promotion of collaboration among funders and information for inclusion in public policy making.

- Assisting researchers to better understand the role and impact of the philanthropic sector in creating social impact. For example, if philanthropy's role is to support risk-taking and innovation, then research to understand how effectively it fulfills this role and whether innovations supported by philanthropy reach sustainability, scale and impact, would help not just the philanthropic sector but the wider community. For this to be meaningful, the dataset will need to include much more than just the large philanthropic grants.
- Demonstrating how private wealth is serving the public good. It can provide philanthropists, professional advisors, the not-for-profit sector, government and the wider community with greater access to data on philanthropic grant-making to assist in a better understanding of the sector, and profile the role being played by philanthropy.

To determine the interest and potential to develop a publicly accessible data platform on philanthropic grants in Australia, the following steps are recommended:

- A technology review undertaken by an expert panel. The Foundation Center *Philanthropy In/Sight tool* is purpose specific and is the best of its kind of the market. However, given the pace at which technology is developing, before investing in this relatively high-cost system, a review of latest technology and open source options should be investigated.
- A further block of work be undertaken to review how similar initiatives are funded, together with an exploration of their successes and failures. This will also need to take into consideration the impact of the Australian Charities and Not-for-profits Commission (ACNC) as it becomes established and the data it collects becomes available.

-
- A group of interested parties be brought together to discuss the desirability and feasibility of launching a data platform. If there is sufficient support, an interested party or consortium of interested parties can then work up a detailed business plan.

A final plea

In a recent blog post, ['Philanthropy's Data Dilemma'](#), Foundation Center president Bradford Smith (2012) said: "Getting foundations into the era of Big Data doesn't have to be a Herculean challenge. Technology is on our side and stopping doing some things will free up time and resources to do others." While he is speaking primarily to an audience of US foundations, the principles he articulates are applicable to all:

1. **STOP trying to be unique.**
2. **START aligning your data with the outside world.**
3. **STOP developing custom grants management systems.**
4. **START going beyond the minimum reporting requirements of tax laws.**
5. **STOP thinking about data and communications as two separate things.**
6. **START thinking about data as open.**

9 Appendix

9.1 Appendix I: Reference list

- Arts Access Victoria (2013). "Vision Statement." Retrieved 21 June, 2013, from <http://artsaccess.com.au/about/about-aav/vision-mission-statement/>.
- Australian Bureau of Statistics (2013). "Socio-Economic Indexes for Areas." Retrieved 21 June, 2013, from <http://www.abs.gov.au/websitedbs/censushome.nsf/home/seifa>.
- Bernholz, L. (2013a). Big Philanthropic Data with a Purpose. P. T. F. o. Good. 2013.
- Bernholz, L. (2013b). Changing Our Data Defaults. P. T. F. o. Good. 2013.
- Bonyhady, B. (2008). Opening Address. Philanthropy Australia Conference. Melbourne.
- Botsman, R. (2013). Release the Info. AFR Boss Magazine. Australia. 14.
- Foundation Center (2013a). "Foundation Center and Techsoup Global Form Strategic Alliance." Retrieved 21 June, 2013, from <http://foundationcenter.org/media/news/20121018.html>.
- Foundation Center (2013b). "Knowledge to Build On." Retrieved 21 June, 2013, from <http://foundationcenter.org/>.
- Harold, J. (2013). Philanthropy and Emotion in the Age of Big Data. Greater Good Blog, Arabella Advisors. 2013.
- Hartnell, C. (2011). Editorial. Alliance Magazine. 16.
- Johnson, P. (2010). Global Institutional Philanthropy: Preliminary Status Report. P. I. W. I. f. G. Support.
- Kisil, M. (2011). Letters to the Editor. Alliance Magazine. 16.
- Leat, D. (2010). "Australian Foundations and the Downturn." Australian Centre for Philanthropy and Nonprofit Studies, Queensland University of Technology, Brisbane
http://eprints.qut.edu.au/32112/1/Leat_10_Australian_Foundations_and_Downturn_FINAL.pdf
- Loong, L. H. (2012). Deputy Prime Minister of Singapore. Philanthropy in Asia Summit.
- McGill, L. (2012). Data for Good. Alliance Magazine. 17.
- Meachen, V. (2009). "A Grant-Seekers Guide to Trusts & Foundations." Retrieved 19 June, 2013, from www.philanthropy.org.au.
- Meachen, V. and D. Ward (2012). "Philanthropy, Transparency and Accountability." from www.philanthropy.org.au.
- Paroah, C. and C. Keidan (2010). Family Foundation Giving Trends. Pears Foundation.
- Philanthropy Australia (2013). "Philanthropy Australia's Strategic Plan 2012-2014." Retrieved 19 June, 2013, from www.philanthropy.org.au.
- Pinho, A. (2013). "Global Consultation on Philanthropy Data." from www.wingsweb.org.
- Productivity Commission (2010). "Contribution of the Not-for-Profit Sector." Retrieved 19 June, 2013, from www.pc.gov.au.
- Reich, R. (2013). What Are Foundations For? Boston Review.
- Scaife, Wendy A., Williamson, Alexandra, McDonald, Katie, & Smyllie, Susan (2012). "Foundations for giving: why and how Australians structure their philanthropy." Australian Centre for Philanthropy and Nonprofit Studies, Queensland University of Technology, Brisbane. Retrieved 19 June, 2013 from <http://eprints.qut.edu.au/48801>

Smith, B. (2010). "Glasspockets Launch Address." from www.glasspockets.org.

Smith, B. (2012). Philanthropy's Data Dilemma. Philanthropic. Foundation Center. US.

The Monitor Institute (2013). "Reimagining Philanthropy." Retrieved 19 June, 2013, from www.monitorinstitute.com/what-we-do

Vinson, T. (2007). "Dropping Off the Edge." The Distribution of Disadvantage in Australia, . Retrieved 19 June, 2013, from www.australiandisadvantage.org.au/

Webster, M. and T. Wyse (2012). "Guiding Principles for Building Collaborative Partnerships between Government and Philanthropy." Australian Communities Foundation, . Retrieved 19 June, 2013, from www.communityfoundation.org.au/

World Initiatives for Grantmaker Support (2013). "Philanthropy in Focus." Retrieved 21 June, 2013, from <http://www.wingsweb.org/>.

Websites:

Asia-Pacific Centre for Social Investment and Philanthropy www.swinburne.edu.au/business/philanthropy/

Australian Bureau of Statistics www.abs.gov.au

Australian Centre for Philanthropy and Nonprofit Studies
www.qut.edu.au/business/about/research-centres/australian-centre-for-philanthropy-and-nonprofit-studies

Centre for Social Impact www.csi.edu.au

Foundation Center www.foundationcenter.org

John D and Catherine T MacArthur Foundation www.macfound.org

Justice Data Lab www.justice.gov.uk/justice-data-lab

Knight Foundation www.knightfoundation.org

Markets for Good www.marketsforgood.org

New Philanthropy Capital www.thinknpc.org

Philanthropy Australia www.philanthropy.org.au

Techsoup Global www.techsoupglobal.org

The William and Flora Hewlett Foundation www.hewlett.org

Worldwide Initiatives for Grantmaker Support (WINGS) www.wingsweb.org

9.2 Appendix 2: Summary of the methodology

Governance

The project was led by Gina Anderson, Philanthropy Fellow at the Centre for Social Impact, University of New South Wales, and Dr Michael Liffman, Director of Swinburne University's Asia-Pacific Centre for Social Investment and Philanthropy with support from Les Hems, Director of Research, Centre for Social Impact, University of New South Wales; all of whom were members of the project steering committee. Vanessa Meachen, Director of Research and Policy, Philanthropy Australia, Louise Arkles, Director Knowledge and Communications, Philanthropy Australia, and Dr Michael Moran, of Swinburne University's Asia-Pacific Centre for Social Investment and Philanthropy were also members of the project steering committee.

Data

Data collection has been focused on these 12 foundations as they are large foundations that have provided relatively detailed information publicly on their grant distributions over the past few years. In addition all 12 foundations gave their blessing to the project. There is no pre-existing public database on Australian philanthropic foundations so we had to individually collate the information, which is an expensive, resource intensive exercise.

Information collected

Philanthropic foundations work in financial and non-financial ways, but the focus of this report is to identify where foundations' charitable grants and disbursements (also referred to as 'giving' or 'philanthropy' in this report) is going. This figure represents charitable expenditure on grants to organisations and, in a few cases, individuals. In general, Australian foundations' expenditure involves making grants to charities and community organisations designated as tax concession charities (TCC) by the Australian Taxation Office and/or with Deductible Gift Recipient (DGR) status.

We collected the following information:

- Grantmaker name, street address, town/city, state, postcode, country; URL; ABN; type of grantmaker;

year of establishment; funding geography; purpose & activities

- Grant recipient, street address, town/city, state, postcode, country; URL; ABN; type of recipient
- Grant description, grant \$ amount, length of grant, subject(s) of the grant, type of grant

Sources

The report is based almost entirely on secondary analysis of published foundation data for the period 2009-2011, together with contact details from not-for-profit websites and publicly searchable directories.

Reporting year

Philanthropic foundations, like many other charitable organisations, adopt different 'year-end' months for their annual reporting and the time they take to publish reports also varies considerably. This means that in a 'snapshot' study like this, which aims to compile the best data available at a certain point of time, is strictly out-of-date at any given point of time. However, for comparative purposes, we have used the reporting year as the year the grant was made, announced or reported. If the foundation reports on a financial year then the year is at 30 June while if they report on a calendar year then the year is at 31 December.

Timescale

With reporting timelines differing for different foundations, some choosing to report on a calendar year while others on a financial year, it can be difficult to undertake like-on-like comparisons. This is complicated by the timing of approvals for grants and the actual distribution date when the grant is paid. Where grants are approved over multiple years, some foundations pay the lump sum up-front and count that grant in one year. Other foundations approve a multiple year grant, but pay an agreed portion of the grant each year.

We have chosen a three-year time period from 2009-2011 to provide some comparative data as data is often only relevant if you can compare year by year.

Classification

We have used Philanthropy Australia's 'Grant Classification Scheme' as the guiding framework. www.philanthropy.org.au

- **Grant classification:** We have used the grant-maker's description of the grant as a guide to classification.
- **Recipient name:** We have used the Trading Name as the recipient name, as the registered name may not be in common use but we have also collected ABNs for cross reference. In regard to universities:
 - o Where there is a well-known institute / centre of excellence linked to a university then the **institute / centre of excellence is the recipient** and the university the subunit
 - o Where the recipient is a faculty of the university then the **university is the recipient** and the **faculty the subunit**
- **Description of recipient organisation:** We have used recipient organisations' description of their services as a guide to classification eg. Arts Access Victoria's mission is: People with a disability creating art, experiencing art and working in the arts. Therefore it is classified under Disability - not Arts

In addition to Philanthropy Australia's Grants Classification Scheme we have added the following groups:

- o Community Service - includes: surf, scouts, guides, PCYC, YMCA, YWCA, human rights (legal), neighbourhood house
- o Health Service / Health Promotion – organisations that provide services/advice to the general public
- o Research Organisation – for the professional eg. health professional
- **Subject (Field of activity)**
While many grants could be classified under several subjects or fields (eg CALD Communities and Education) we have used the foundation's description of their grant as a guide to

classification. In each case the grant is classified only once to ensure there is no double counting. We have used the Program Areas under Philanthropy Australia's Grant Classification to classify grants by subject or field of activity. In addition to Philanthropy Australia's Grants Classification Scheme we have added the following groups:

- o Scout organisations = Civil Society, citizen participation
- o Surf Lifesaving Clubs = Health Wellbeing & Medical Research, public health & safety; Recreation & sport, surf
- o Children's Day Care Centres = Education, preschool & kindergarten
- o Mentoring Programs = Education and classification, depending on to whom it is targeted

9.3 Appendix 3: Brief profiles of the foundations

AMP Foundation

In 1992 the AMP Foundation was formed as the philanthropic arm through which AMP invests in the community. AMP Foundation supports community organisations through focusing on community involvement - helping people to help others, and capacity building - helping people to help themselves. Supporting community organisations requires more than just a financial contribution. AMP Foundation also actively encourages AMP employees and AMP financial planners to give up their time and skills to help their community partners.

Collier Charitable Fund

The Collier Charitable Fund is a perpetual charitable trust. The Fund was established in 1954 by Alice, Edith and Annette Collier, three Melbourne sisters, in order to create a means by which their lifelong practice of generous support for charities and the disadvantaged would be continued indefinitely after their death. Their vision was to help make a real difference to the lives of those in need and to organisations that supported them. The wills have specific designated purposes around relief of poverty, hospitals, education and religious purposes.

Colonial Foundation

In 1996 the Colonial Mutual Life Assurance Society Limited demutualised, after 123 years as a mutual life insurance society, and, in 1997, was listed on the stock exchange as Colonial Limited. The Colonial Foundation Trust was created as part of the demutualisation in order to reflect in some way Colonial Limited's origin as a mutual society formed to provide a service to its members and the communities it served. Colonial Foundation Limited was formed to act as trustee of the Trust.

Following the merger of Colonial Limited with the Commonwealth Bank of Australia in June 2000, Colonial Foundation Limited became fully independent, with the responsibility of carrying out the broadly defined charitable objectives of Colonial Foundation Trust. Colonial Foundation Trust aims to make a positive contribution to society by supporting

organisations that work to find solutions for those in need or that assist in improving the quality of community life.

Sidney Myer Fund

A generous philanthropist in his lifetime, Sidney Myer left one tenth of his estate for the benefit of the community in which he made his fortune. The Sidney Myer Fund and The Myer Foundation continue the legacy of his generosity through members of three succeeding generations of the Myer family who give in many ways to make significant and lasting changes in our society. The objectives of the Sidney Myer Fund are; to enrich individual and civic life; to improve the lives of people impoverished from personal, environmental, social or cultural disadvantage; and to protect and strengthen democratic values and participation.

Telstra Foundation

The Telstra Foundation is the cornerstone of Telstra's corporate Community Investment strategy. Established in 2002, the Telstra Foundation supports community organisations in making a positive and lasting difference to the lives of Australia's children and young people. The Telstra Foundation offers support to a significant number of life-changing projects across Australia through the Telstra Foundation Community Development Fund. Since drafting this report, the Telstra Foundation has changed its operating model and now structures significant investment across three areas: Flagship partnerships; Social Innovation Grants; and Employee-giving. Telstra also provides support through the Telstra's Kids Fund but this fund was not included in this project.

The Clive and Vera Ramaciotti Foundations

The Ramaciotti Foundations, managed by Perpetual, were established in 1970 and are collectively one of the largest private contributors to biomedical research in Australia. The Ramaciotti Foundations each year make significant distributions via the [Ramaciotti Awards](#); providing funding support

to areas such as molecular biology, genetics and immunology, and assisting young investigators taking up new challenges in biomedical research. In addition the Ramaciotti Medal for Excellence in Biomedical Research recognises outstanding contribution to clinical or biomedical research, or the way in which healthcare is delivered.

The George Alexander Foundation

The George Alexander Foundation is an independent foundation with a particular emphasis on helping talented young people to achieve educational and employment goals. The Trustees of the George Alexander Foundation are also Trustees of the Ian Potter Foundation.

The Ian Potter Foundation

The Ian Potter Foundation makes grants for general charitable purposes in Australia that advance knowledge and benefit the community in the areas of the arts, community wellbeing, education, environment and conservation, health, medical research and science.

The Myer Foundation

The Sidney Myer Fund and The Myer Foundation continue the legacy of Sidney Myer's generosity, through members of three succeeding generations of the Myer family. The Myer Foundation was established in 1959 by Sidney's sons, Baillieu and the late Kenneth Myer, as a way to support initiatives and new opportunities arising from contemporary issues. The objectives of The Myer Foundation are: to enrich individual and civic life; to improve the lives of people impoverished from personal, environmental, social or cultural disadvantage; and to protect and strengthen democratic values and participation.

The Helen Macpherson Smith Trust

The Helen Macpherson Smith Trust (known prior to 2001 as the Helen M Schutt Trust) was established by the late Helen M Schutt (nee Smith) in 1951 in accordance with the terms of Helen's Will, which directed that the income from her estate should be

paid in perpetuity at the discretion of Trustees to charitable institutions situated in Victoria. The Trust's mission is to enhance the quality of life, resilience and development of communities within Victoria; with particular interest in education and vocational training, strengthening rural and regional Victoria, care for the land, enriching lives through the arts and cultural activities, and improving health.

The RE Ross Trust

The R E Ross Trust is a perpetual charitable trust established in 1970 in Victoria by the will of the late Roy Everard Ross. The Ross Trust directs its resources towards projects and other activities that: address disadvantage and inequity; encourage and promote social inclusiveness, community connectedness, health and wellbeing; and protect and preserve Australian flora and fauna.

The William Buckland Foundation

On his death in 1964, William Buckland left the bulk of his large estate to establish a foundation. The Will which established the trust deed, administered by ANZ Trustees, left half of the income "to divide... in each year among such public hospitals, public benevolent institutions or public benevolent societies in Victoria... and I hereby indicate to my Trustees my hope that in the division of such income, they will favourably consider charities for children". The other half he wished to apply to "public scientific or public educational purposes in Victoria". His attachment to the pastoral sector is indicated in his suggestion that his Trustees, in administering the public educational purposes should "give preference to agricultural and related pursuits".

9.4 Appendix 4: Philanthropy and giving structures in Australia

Types of foundations

Private family and independent foundations

During the 20th Century, Victoria was at the centre of much of Australia's philanthropic activity. The Victorian Administration and Probate Act 1907, which was adjusted in 1915 and 1951, provided the tax incentives that meant people leaving money to establish a charitable foundation in Victoria received a reduction in death duties payable on their estate. This tax incentive was not available in other Australia states. These state tax laws were instrumental in the formation of many of Australia's oldest and largest philanthropic foundations.

While there were some non-Victorian foundations set up, the overwhelming majority of 20th Century philanthropic funds were Melbourne-based. And by the 1970s, these Melbourne foundations were starting to cooperate and encourage greater professionalism among grant-making bodies.

In 1977 the Association of Philanthropy (later Philanthropy Australia) was established to encourage philanthropy and to provide a forum for philanthropic organisations to share information about 'the difficult art of giving'.

Corporate and business foundations

From: *Corporate Community Investment in Australia 2007*, report prepared by The Centre for Corporate Public Affairs and the Business Council of Australia

- 37% of respondent companies have a foundation, which includes the global foundations of overseas multinational companies as well as the Australian foundations of their local subsidiaries, and indigenous firms.
- Of those companies with a foundation, nearly half have been in existence for more than 10 years, a fifth have been in existence for 6-10 years. Most indigenous Australian companies that have foundations established them after 2000.
- Those with longstanding foundations tend to be in the resources sector and the finance sector, with some originally established as a charitable trust.
- Of those with a foundation, some organisations funnel a significant proportion of their community resources through the foundation, while in many cases it is only a small proportion:
 - o 8% of companies do not channel any of their community resource through the foundation
 - o 27% of companies estimate that between 1% and 19% of their community resources flows through the foundation
 - o 4% of companies allocate 20-39% of their resources to the foundation
 - o 23% of companies allocate 40-59%
 - o 15% of companies allocate 60-79%; and
 - o 23% of companies allocate 80-100% of their community resources through the foundation.

Trustee companies

Trustee companies have been a part of the Australian philanthropic landscape since 1878. Traditionally involved with the execution of estates and bequests, trustee companies are now more actively involved with living donors, particularly through the establishment of private ancillary funds (PAFs) and public ancillary funds (PuAFs). Charitable trusts provide a vital and perpetual source of funding for NFPs. Philanthropy Australia reports that between them ANZ Trustees, Equity Trustees, Perpetual Trustees and The Trust Company manage almost 1300 charitable trusts consisting of \$3 billion in funds under management and distributing over \$160 million in discretionary funds each year.

Included in this report are the William Buckland Foundation, managed by ANZ Trustees, and the Clive and Vera Ramaciotti Foundations, managed by Perpetual.

PAFs (private ancillary funds)

The fastest growing form of philanthropy in Australia is the PAFs or Private Ancillary Funds (formerly known as PPFs or Prescribed Private Funds). From a standing start in 2001, there are now more than 1,000. In 2010 they distributed a combined total of \$197m to the charitable sector.

The PAF structure is a relatively simple philanthropic foundation structure which, when introduced, filled a gap. The PAF structure facilitates additional giving rather than redirection of existing activity. It continues to act as a catalyst for donors to become engaged with the community sector as the majority of PAF donors are relatively new to structured giving. In many cases the PAF has become the 'family glue' building intergenerational commitment to the community. PAFs are also proving to be big supporters of social innovation.

Importantly, the introduction of the PAF has encouraged professional advisors to be more willing to talk about philanthropy with their high-net-worth clients.

However, given the lack of public reporting by PAFs, no PAFs have been included in this report.

Community foundations

Community Foundations are independent philanthropic organisations that generally work in specific geographic areas to build up endowed funds from many donors in the community. They provide services to the community and its donors, make grants and undertake community leadership and partnership activities to address a wide variety of needs in its service area. They are vehicles for local donors who wish to contribute their cash, trusts, bequests or real property to create permanent endowments that will benefit the community in perpetuity. There are 27 active Community Foundations in Australia.

Government backed organisations

Government-backed organisations eg Australia Council for the Arts; Foundation for Rural and Regional Renewal; Lotterywest

Formal philanthropic structures in Australia

Testamentary or will trusts

These are the oldest form of existing foundations in Australia. They are established by a will and do not come into operation until after the benefactor's

death. The majority of them are Tax Concession Charities and therefore income tax exempt but donations to them are not tax deductible. They are not limited to funding DGRs unless it is stipulated in the will that they do so, but they must fund the charitable purposes specified in the will.

Private charitable trusts

These have been established during a donor's lifetime through trust deed. They are able to obtain TCC status and therefore income tax exemption, but donations to them are not tax deductible. They are not limited to funding DGRs unless it is stipulated in the trust deed that they do so, but they must fund the charitable purposes specified in the deed.

Private ancillary funds (PAFs)

The Prescribed Private Fund (PPF) structure was established in 2001 and was redeveloped as the Private Ancillary Fund (PAF) structure in 2009. There have been over 800 PAFs established, making them the fastest growing form of philanthropy in Australia. Donations to PAFs are tax deductible and they can in turn only fund other DGRs. The majority of PAFs are also charitable, and they must therefore fund DGRs which also have TCC status, but it is possible in some States to establish a PAF that is income tax exempt but not charitable. This allows granting to a wider variety of DGRs (depending on the State in which the PAF is established).

The PAF structure is particularly attractive to families and "new donors" who are seeking a tax effective structure.

Ancillary (public) funds

Sometimes just called public funds, these are established by trust deed for the support of charitable organisations. They are charities, and donations to them are tax deductible. In return, the foundation can only fund other DGRs which also have TCC status. (Can also become ITEFs like PPF/PAFs) Ancillary funds must be controlled by a committee, the majority of which have a degree of responsibility to the general public, and the public must also contribute to the fund. Because of the requirement for public contributions and public participation, ancillary funds

are not generally used by high-net-worth individuals. The structure is often used as a fundraising vehicle for hospitals and charitable organisations, or for foundations which maintain 'sub-accounts' for individual donors such as community foundations.

Companies

While the vast majority of grant-making philanthropic entities are trusts, a number are companies that operate a public fund for grant-making and are specifically named in the tax legislation.

Introduction to terms used in Australia

Charity/charitable

The majority of philanthropic trusts must fund charitable purposes. The terms 'charity' and 'charitable purpose' have a legal meaning which differs from the popular understanding of the terms. Throughout this report, the terms are used as follows:

- **Charitable** – purposes that are charitable under Australian law
- **Charity** – an entity that has been endorsed as a Tax Concession Charity (TCC) by the Australian Taxation Office

Deductible Gift Recipient (DGR)

A DGR is a fund or organisation that has been endorsed by the Australian Taxation Office as a deductible gift recipient; meaning that donors can claim a tax deduction for donating to that organisation. Some DGRs are listed by name in the income tax law. For other organisations to be DGRs, they must fall within a general category set out in the income tax law. Examples include public benevolent institutions, public universities, public hospitals and school building funds.

Foundation

The word 'foundation' has no legal meaning. Throughout this report it is used to indicate a charitable trust which exists for the purpose of making grants to not-for-profit organisations.

Not-for-profit / non-profit

A not-for-profit (or non-profit) organisation is an organisation that's primary objective is something other than the generation of profit for its members/shareholders. Only not-for-profit organisations are entitled to endorsement as charities or as deductible gift recipients. However, the majority of not-for-profit organisations have neither endorsement, either because they are too small for endorsement to be worth the effort, or because they are not eligible.

Legal framework

Turning to the legal framework, Australia has one federal government, and six state governments.

All not-for-profit organisations are required to comply with relevant state, federal and common law. Differences across the federal and state jurisdictions in regulation are not coherent and are complex to navigate. As charity law has been developed through case law there is no statutory definition of 'charitable purposes'. In addition, in Australia, trust law is state not federal. Tax law, on the other hand, is federal.

Charitable status and tax deductible status

Attracting philanthropic support, either from foundations or from individual donors, is dependent on two endorsements in Australia – Deductible Gift Recipient and Tax Concession Charity. The majority of other countries have only one level so that all charities are automatically entitled to all tax concessions. In Australia, being a charity does not automatically entitle an organisation to (for instance) offer a tax deduction to its donors. Tax deductibility is covered by the separate category of DGR endorsement.

Endorsement to access charity tax concessions is the approval process a charity must follow if it is to access one or more of the following concessions:

- Income tax exemption
- Goods and Services Tax charity tax concessions
- Fringe Benefits Tax rebate, or

- Fringe Benefits Tax exemption.

Foundations and Trusts are required to abide by the relevant tax and charity law, both Commonwealth and State-based. For those seeking funding, this means a number of issues.

- Some foundations can only fund organisations that the Australian Tax Office (ATO) has endorsed as a DGR (Deductible Gift Recipient)
- Some foundations can only fund organisations that the ATO has endorsed as a Tax Concession Charity (TCC)
- Some foundations can only fund organisations that have both DGR and TCC endorsements
- Some foundations can fund almost any not-for-profit entity provided that the funding is spent on activities which are legally charitable

To make this even more complicated, some foundations can only fund organisations that have a certain kind of DGR endorsement. There are two main kinds of DGRs:

- **Item 1 DGRs, known informally as ‘doing’ DGRs.** These are the organisations that carry out the hands-on work – health promotion organisations, counselling, welfare organisations, etc.
- **Item 2 DGRs known informally as ‘giving’ DGRs** – which have no purpose other than to make or collect money in order to give it away.

The rule is that one ‘giving’ DGR cannot give to another ‘giving’ DGR – otherwise the money could go from foundation to foundation without any actually being spent on charitable activity. Most organisations that apply for grants from foundations will be a ‘doing’ DGR, but there are some entities that have been set up as fundraising foundations – often attached to a hospital or cultural entity – which are ‘giving’ DGRs. There are many foundations which cannot fund the ‘giving’ type of DGR.

Charity law and endorsement as a Tax Concession Charity (TCC)

Many trusts are required to fund either charities or charitable purposes. Charities are entities where the sole purpose is charitable; in practical terms proof of an entity’s charitable status is considered to be endorsement by the ATO as a Tax Concession Charity. ‘Charitable purposes’ is more difficult to define as there is no statutory definition. The definition of charity in Australia is a common law definition based on the Statute of Elizabeth (dated 1601). The modern interpretation is from the 1800s and defines four ‘heads of charity’. This definition still survives in Australia. The four heads of charity are:

- the relief of poverty
- the advancement of education
- the advancement of religion
- other purposes beneficial to the community not falling under any of the preceding heads

While the last seems broad, it is more restrictive than at first glance. The ATO is the body responsible for endorsing entities as charitable and has set out the purposes which are not charitable as being:

- The purpose is to confer private benefits
- The purpose is sporting, recreational or social
- The purpose is illegal or against public policy
- The purpose is political or lobbying
- The purpose is commercial
- The purpose is governmental
- The purpose is vague or insufficient value for the community.

If endorsed as a charity, an organisation is entitled to access tax concessions including income tax exemption. It is not, however, entitled to offer a tax deduction automatically.

Not all charities are entitled to be endorsed as DGRs, and not all DGRs are charitable at law. Examples of organisations which are charitable but not entitled to DGR endorsement include:

- Peak bodies
- Advocacy groups

Examples of entities which are entitled to endorsement as DGRs but may not be charities include:

- Public schools
- Public hospitals
- Public libraries, museums and art galleries

An entity considered to be an arm of government carrying out a normal government function may be entitled to endorsement as a DGR, but it is not considered to be a charity at law.

2. Deductible Gift Recipient status (DGR)

Being endorsed as a Deductible Gift Recipient enables an organisation to offer a tax deduction for donations. This is a primary factor in attracting donations from the public. It also entitles certain types of DGR organisations to other concessions including FBT exemption.

In order to receive DGR endorsement an organisation must fall into one of the categories specified in the Income Tax Assessment Act 1997. The broad headings of these categories are:

- Health
- Education
- Research
- Welfare and rights
- Defence
- Environment
- The family
- International affairs
- Sports and recreation
- Cultural organisations
- Ancillary funds

There are detailed categories within each of these headings, and an organisation must fall within one of these categories. For example, the heading 'Education' has fourteen categories.

There are also certain entities which are named in the DGR legislation, most of which do not fall into any of the categories within the table. There is no application process for entities that do not fall into DGR categories to apply to be named in the legislation. Inclusion is a political process and is generally not initiated by organisations.

DGR is an important factor in both philanthropic support and public support.

- **Philanthropic support**
Many philanthropic trusts, including all PAFs (formerly PPFs) and Public Ancillary Funds are themselves DGRs. This means that by law they can only make grants to other DGRs.
- **Private support**
Offering a tax deduction to donors may not necessarily affect the decision to give, but evidence supports the supposition that it affects the amount they give, when they give and to whom they give. This is particularly true of high-net-worth individuals.

DGR is not the only criteria for philanthropic trusts. Charitable status, while it has little effect on garnering public support, is a vital element for most philanthropic trusts. A majority of will trusts are limited by law to funding only entities with charitable purposes. Some are limited to funding charitable organisations, that is, those that are endorsed as Tax Concession Charities by the Australian Taxation Office.

Benefits of a tax deduction – indirect public funding for not-for-profits

Tax incentives do not generally govern whether an individual gives. However tax incentives, including, in particular, tax deductibility, are an important factor governing the level of giving. It would therefore be advantageous in attracting money from high-net-worth individuals if such initiatives were able to attract DGR status and provide donors with a tax deduction.

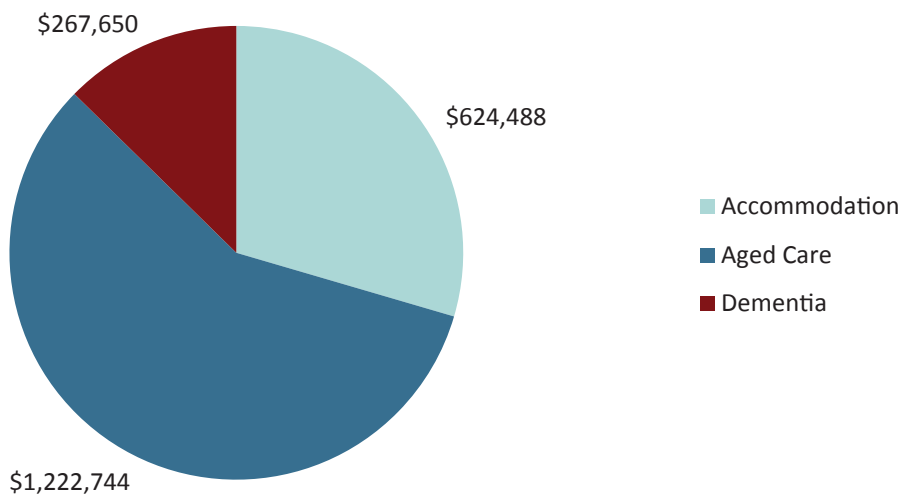
-
- Plurality – taxpayer directs the allocation of public support for not-for-profits.
 - o individuals may be better at identifying charitable causes, and connections can be enhanced
 - o donors can impose discipline on recipient (but government has less control over its contribution)
 - Can provide public support to politically sensitive causes
 - Potentially increases the level of giving
 - o and possibly allocation of donations if eligibility is limited to only some types of not-for-profits

9.5 Appendix 5:Where the money goes

For the purposes of this report the following graphs show the classification of grants at a high level. Further analysis of this data set can be undertaken at a more granular level of detail.

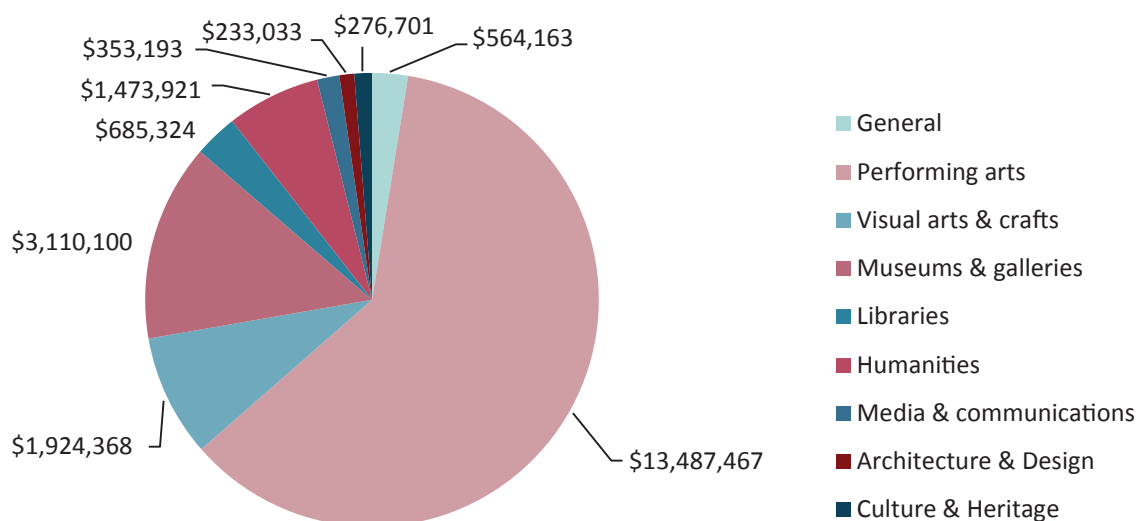
For the purposes of this report the following graphs show the classification of grants at a high level. However, further analysis of this data set can be undertaken at a more granular level of detail.

9.5.1 Aging futures 2009-2011



Aging futures	\$	No. of grants
Accommodation	624,488	23
Aged care	1,222,744	57
Dementia	267,650	6
Total	\$2,213,882	86

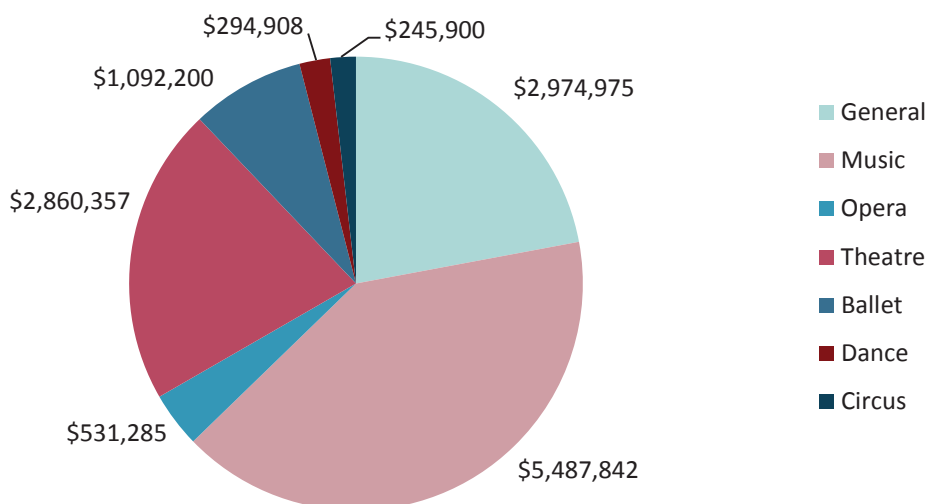
9.5.2 Arts, culture & humanities 2009-2011



Arts, culture & humanities	\$	No. of grants
General (incl. environment, poverty etc)	564,163	30
Performing arts [see breakdown below]	13,487,467	266
Visual arts & crafts	1,924,368	84
Museums & galleries*	3,110,100	38
Libraries	685,324	11
Humanities	1,473,921	53
Media & communications	353,193	18
Architecture & design	233,033	3
Culture & heritage	276,701	15
Total	\$22,108,270	518

*\$1m Sidney Myer Fund grant to Abbotsford Convent

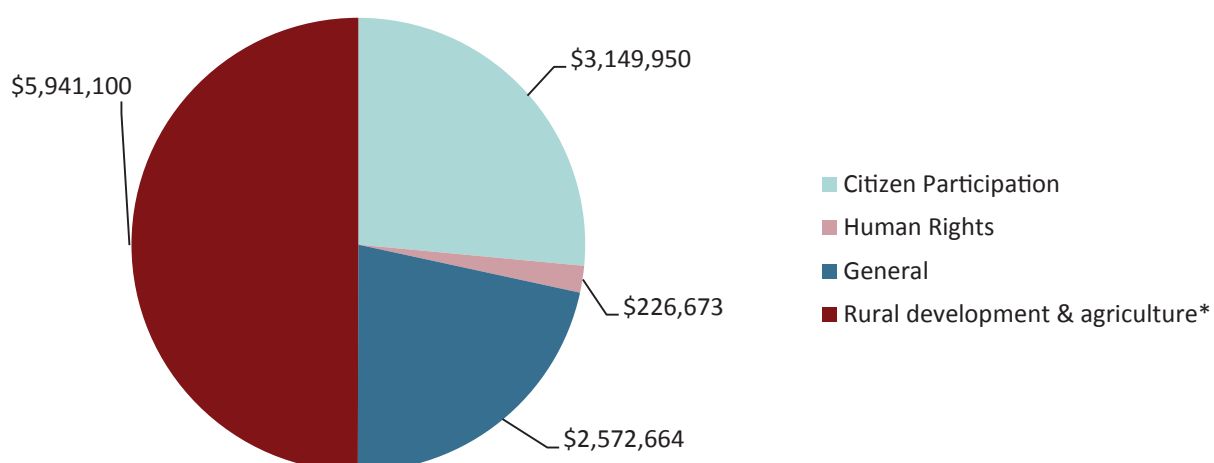
Performing arts 2009-2011



Performing arts	\$	No. of grants
General*	2,974,975	39
Music	5,487,842	91
Opera	531,285	12
Theatre	2,860,357	87
Ballet*	1,092,200	6
Dance	294,908	18
Circus	245,900	13
Total	\$13,487,467	266

* \$2m Myer Foundation endowment grant for Kenneth Myer Asian Theatre Series

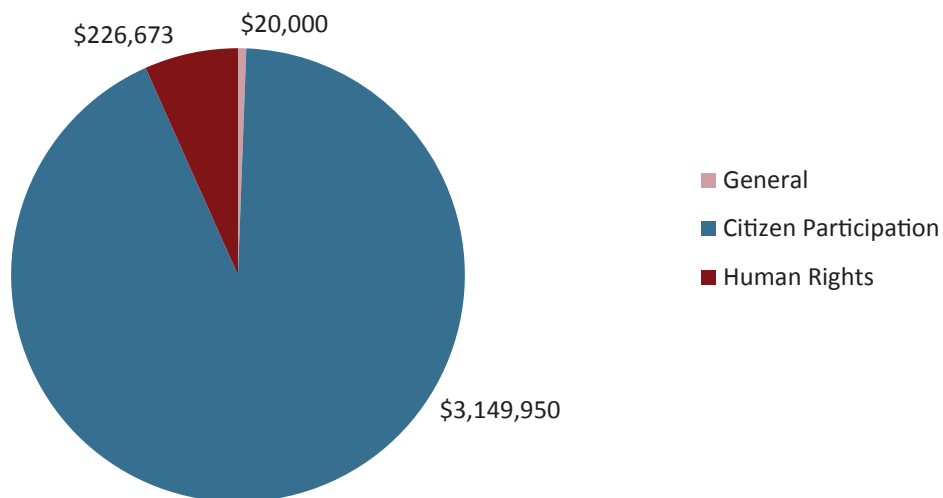
9.5.3 Civil society & community development 2009-2011



Civil society & community development	\$	No. of grants
General	2,572,664	78
Citizen participation	3,149,950	54
Human rights	226,673	13
Rural development & agriculture*	5,941,100	16
Total	\$11,890,387	162

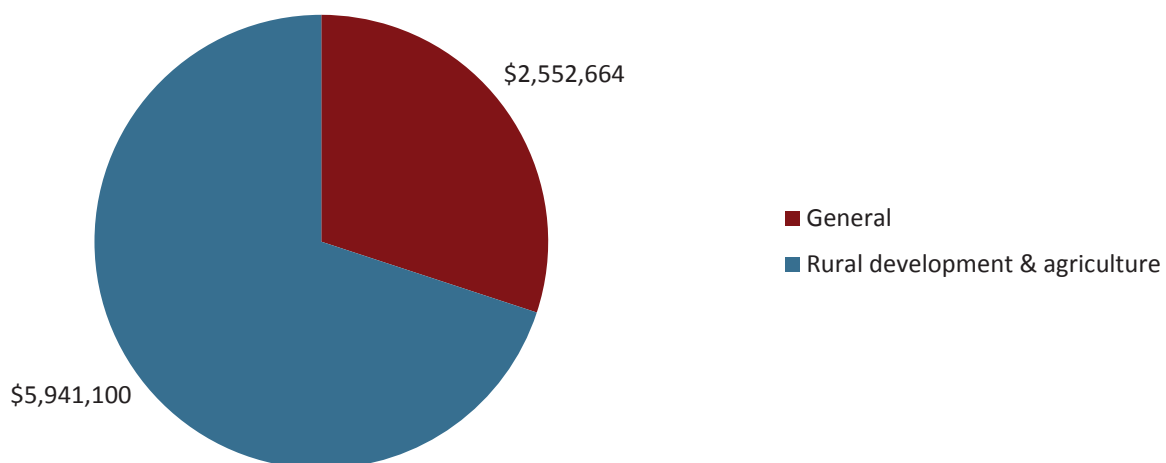
*\$5m Helen Macpherson Smith Trust endowment grant for the Macpherson Smith Rural Foundation

Civil society 2009-2011



Civil society	\$	No. of grants
General	20,000	1
Citizen participation	3,149,950	54
Human rights	226,673	13
Total	\$3,396,623	68

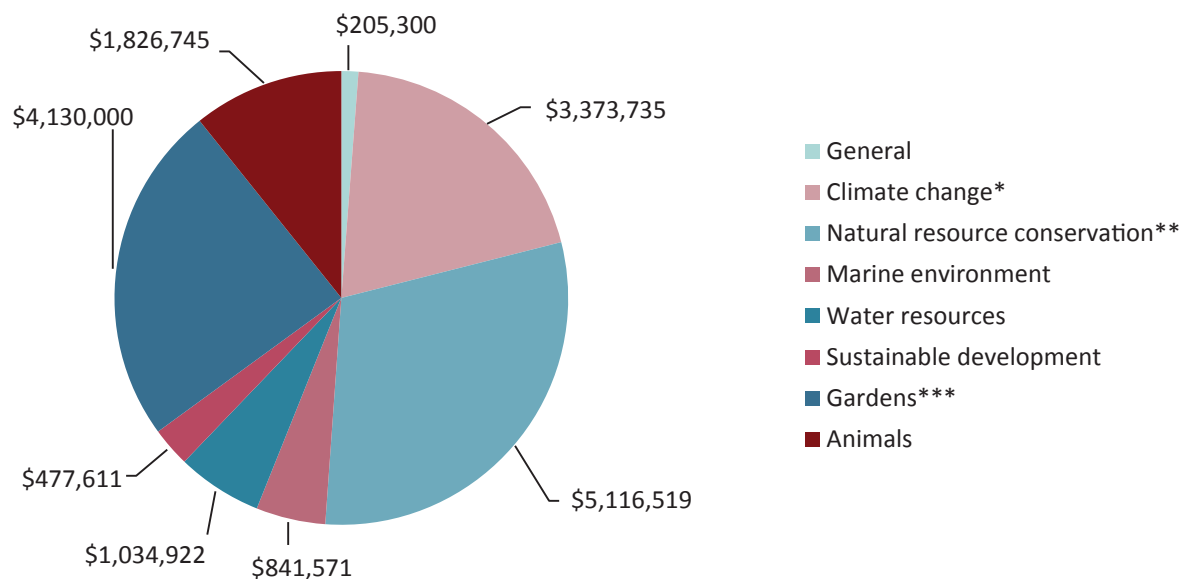
Community development 2009-2011



Community development	\$	No. of grants
General	2,552,664	78
Rural development & agriculture*	5,941,100	16
Total	\$8,493,764	94

*\$5m Helen Macpherson Smith Trust endowment grant for the Macpherson Smith Rural Foundation

9.5.4 Conservation 2009-2011



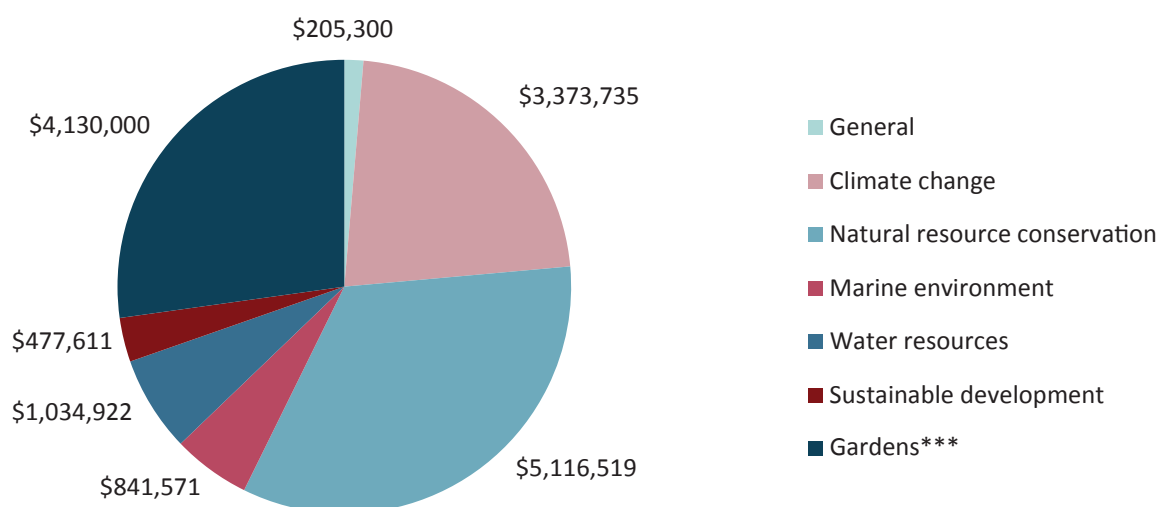
Conservation	\$	No. of grants
General	205,300	7
Climate change*	3,373,735	8
Natural resource, conservation & preservation**	5,116,519	68
Marine environment	841,571	19
Water resources	1,034,922	7
Sustainable development	477,611	22
Gardens***	4,130,000	8
Animals	1,826,745	67
Total	\$17,006,403	206

*\$3m The Myer Foundation grants (3 grants totaling \$3m) to ClimateWorks Australia

**\$2m Sidney Myer Fund grants (2 grants totaling \$2m) to Bush Heritage Australia

***\$2.5m Ian Potter Foundation grants (2 grants totaling \$2.5m) to Royal Botanic Gardens Melbourne

Environment 2009-2011



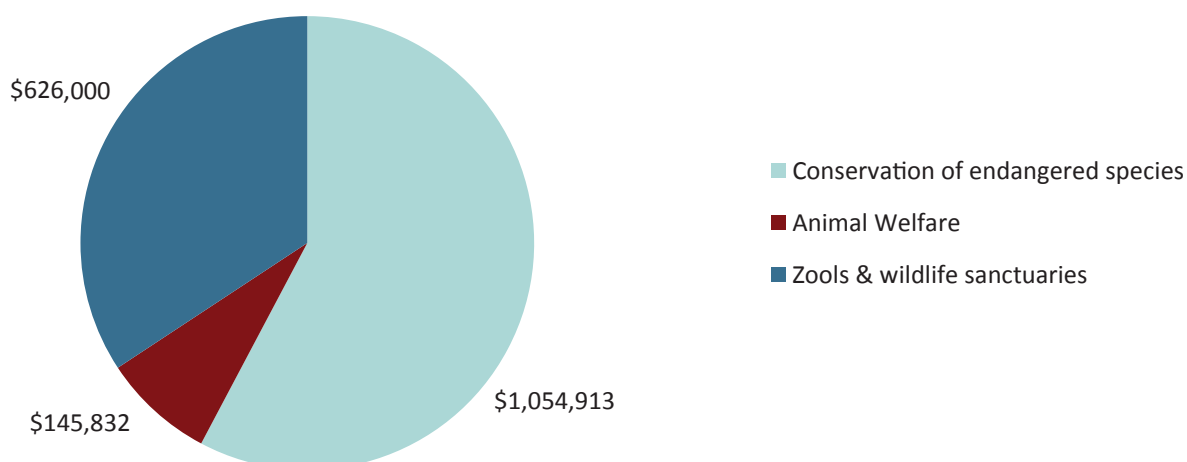
Environment	\$	No. of Grants
General	205,300	7
Climate change*	3,373,735	8
Natural resource, conservation & preservation**	5,116,519	68
Marine environment	841,571	19
Water resources	1,034,922	7
Sustainable development	477,611	22
Gardens***	4,130,000	8
Total	\$15,179,658	139

*\$3m The Myer Foundation grants (3 grants totaling \$3m) to ClimateWorks Australia

**\$2m Sidney Myer Fund grants (2 grants totaling \$2m) to Bush Heritage Australia

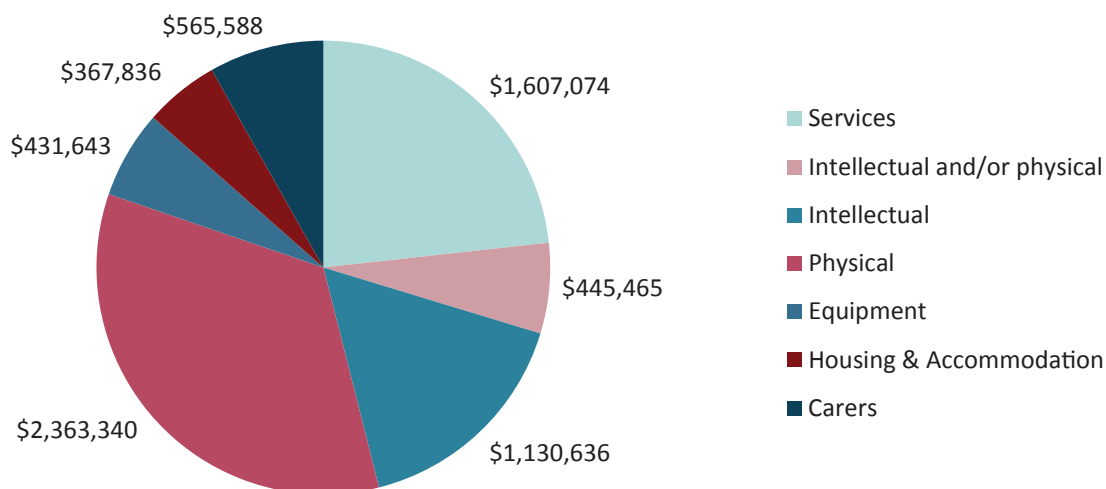
***\$2.5m Ian Potter Foundation grants (2 grants totaling \$2.5m) to Royal Botanic Gardens Melbourne

Animals 2009-2011



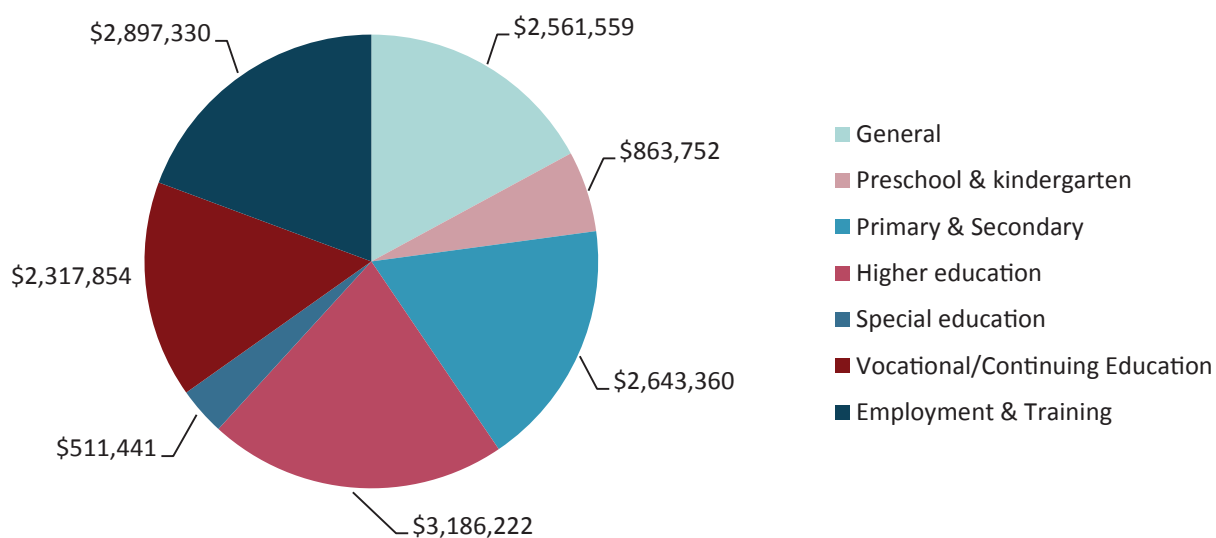
Animals	\$	No. of grants
Conservation of endangered species	1,054,913	34
Animal welfare	145,832	22
Zoos & wildlife sanctuaries	656,000	11
Total	\$1,826,745	67

9.5.5 Disability 2009-2011



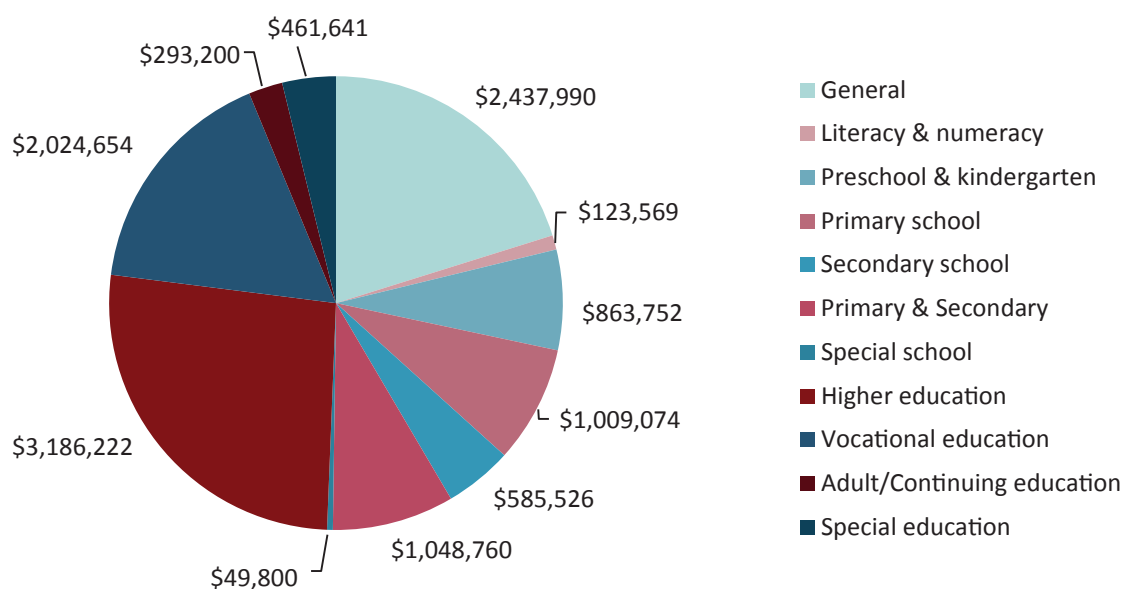
Disability	\$	No. of grants
Services to people with disabilities	1,607,074	76
Services to people with intellectual and or physical disabilities	445,465	35
Services to people with intellectual disabilities	1,130,636	55
Services to people with physical disabilities	2,363,340	133
Equipment for people with disabilities	431,143	26
Housing & accommodation	367,836	6
Carers for people with disabilities	565,588	22
Total	\$6,911,582	353

9.5.6 Education & employment 2009-2011



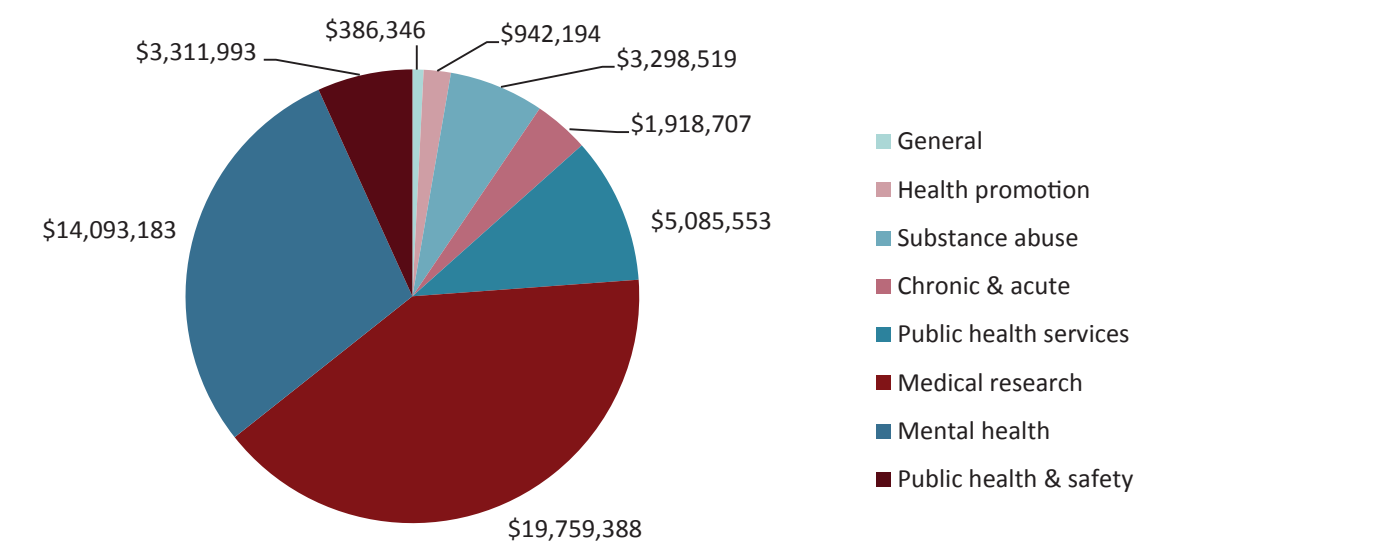
Education & employment	\$	No. of grants
General (incl. public education programs)	2,561,559	31
Preschool & kindergartens	863,752	46
Primary & secondary schools	2,643,360	152
Higher education	3,186,222	57
Special education	511,441	19
Vocational/continuing education	2,317,854	44
Employment & training	2,897,330	33
Total	\$14,981,518	382

Education 2009-2011



Education	\$	No. of grants
General (incl. public education programs)	2,437,990	19
Literacy & numeracy	123,569	12
Preschool & kindergartens	863,752	46
Primary schools	1,009,074	86
Secondary schools	585,526	47
Primary & secondary schools	1,048,760	19
Special schools	49,800	6
Higher education	3,186,222	57
Vocational education (incl. school to work)	2,024,654	40
Adult/continuing education	293,200	4
Special education (incl. special projects/programs)	461,641	13
Total	\$12,084,188	349

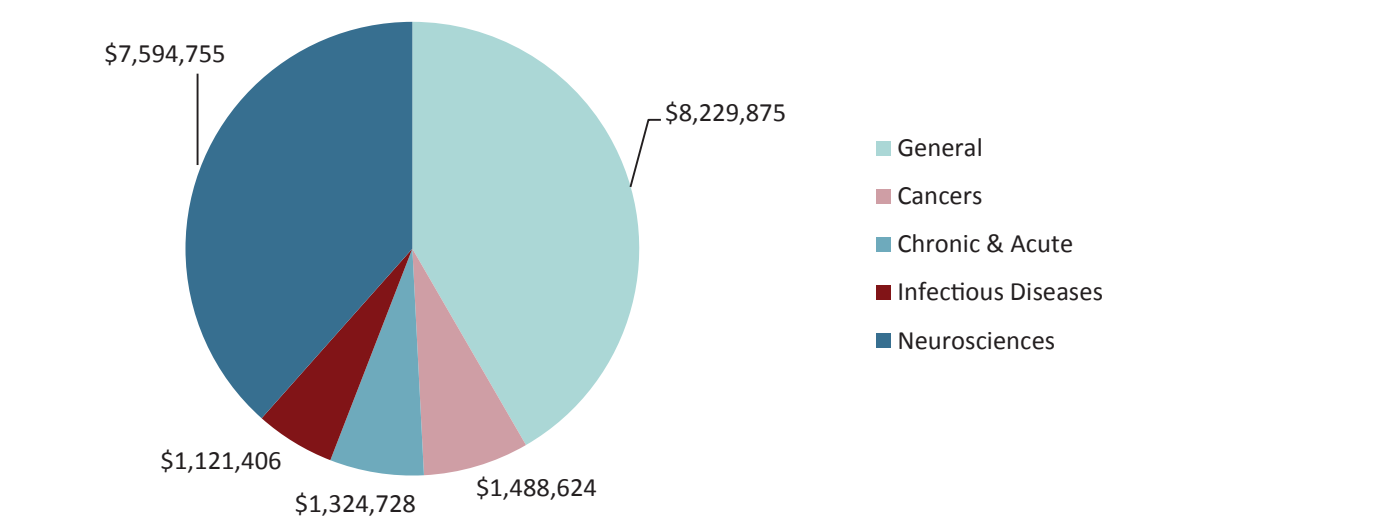
9.5.7 Health wellbeing & medical research 2009-2011



Health wellbeing & medical research	\$	No. of grants
General (incl. reproductive health)	386,346	19
Health promotion & prevention	942,194	38
Addiction & substance abuse (esp. alcohol, nicotine & drugs)	3,298,519	57
Chronic & acute conditions (incl. cancers, diabetes etc)	1,918,707	189
Public health services (incl. hospitals, clinics etc)	5,085,388	224
Medical research [see breakdown below]	19,759,388	252
Mental health*	14,093,183	102
Public health & safety (incl. cyber safety)**	3,311,933	53
Total	\$48,795,883	934

*\$10.4m Colonial Foundation grants (3 grants totaling \$10.4m) to Orygen Youth Health
**\$1.5m Sidney Myer fund grant to Country Fire Authority

Medical research 2009-2011



Medical research	\$	No. of grants
General*	8,229,875	125
Cancers	1,488,624	27
Chronic & acute	1,324,728	61
Infectious diseases	1,121,406	10
Neurosciences**	7,594,755	27
Total	\$19,759,388	252

*General includes the following large grants:

\$1.5m Ian Potter Foundation grant to establish the Centre for Child Development and Education undertake research needed for policy and practice to address the poor health, education and social circumstances of Indigenous children.

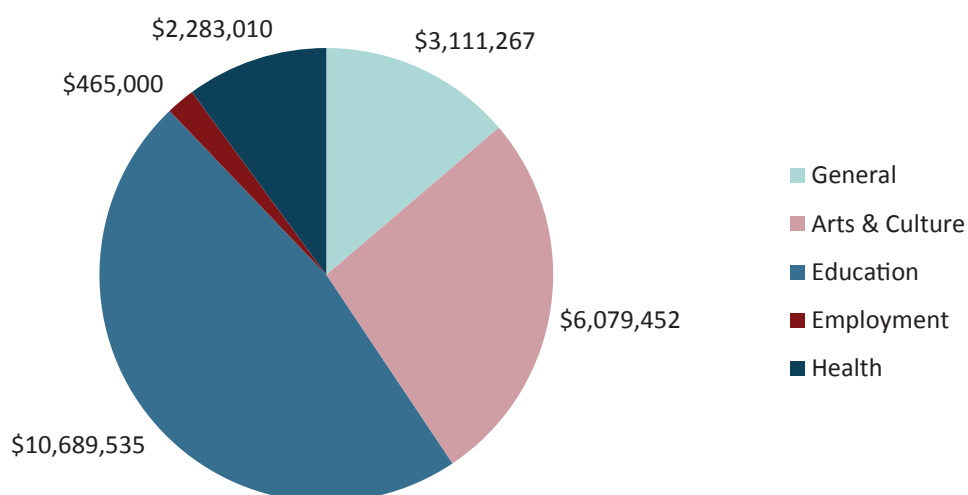
\$1m Clive and Vera Ramaciotti Foundations award for Structural Cryo Electron Microscopy

\$1m Clive and Vera Ramaciotti Foundations grant to Centre for Kinomics

** Neurosciences

\$6.5m Ian Potter Foundation grants (4 totaling \$6.5m) to assist the formation of the new Australian Neuroscience Institutes

9.5.8 Indigenous Programs 2009-2011



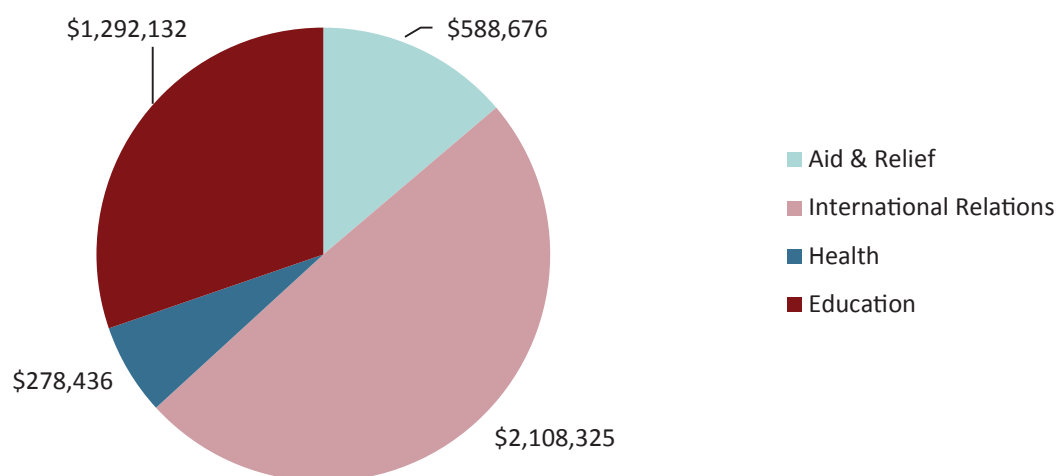
Indigenous Programs	\$	No. of grants
General (incl. poverty alleviation & non-profit infrastructure)	3,111,267	32
Arts & culture*	6,079,452	64
Education**	10,689,535	62
Employment & training	465,000	3
Health	2,283,010	26
Total	\$22,628,264	187

*\$1.5m Ian Potter Foundation grant to the Kimberley Foundation Australia

**\$1.2m Telstra Foundation grant to the Stronger Smarter Institute

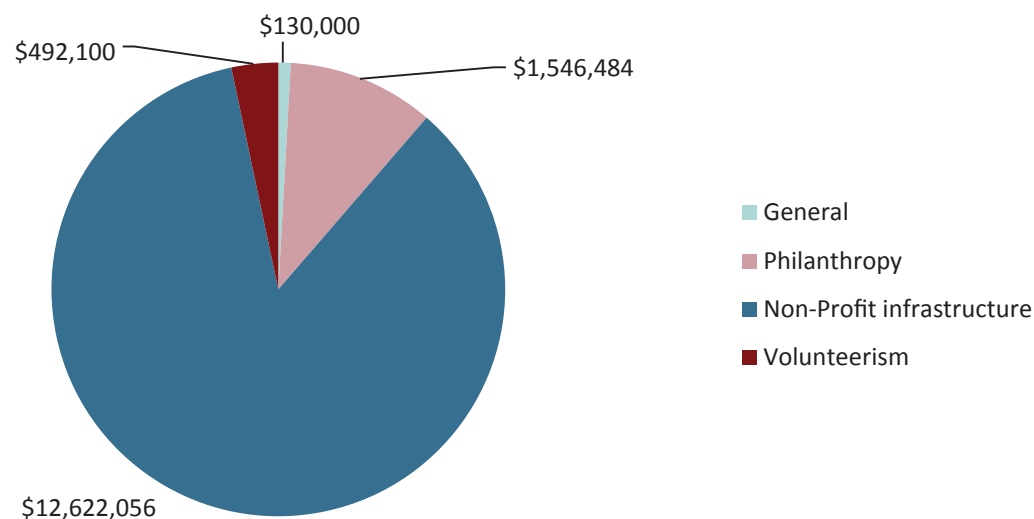
\$1.2m Sidney Myer Fund (total of 3 grants) to the Stronger Smarter Institute

9.5.9 International development & international relations 2009-2011



International development & international relations	\$	No. of grants
Aid & relief	588,676	70
International relations (particularly with SE Asia)	2,108,325	22
Health	278,436	4
Education (particularly in PNG)	1,292,132	7
Total	\$4,267,569	103

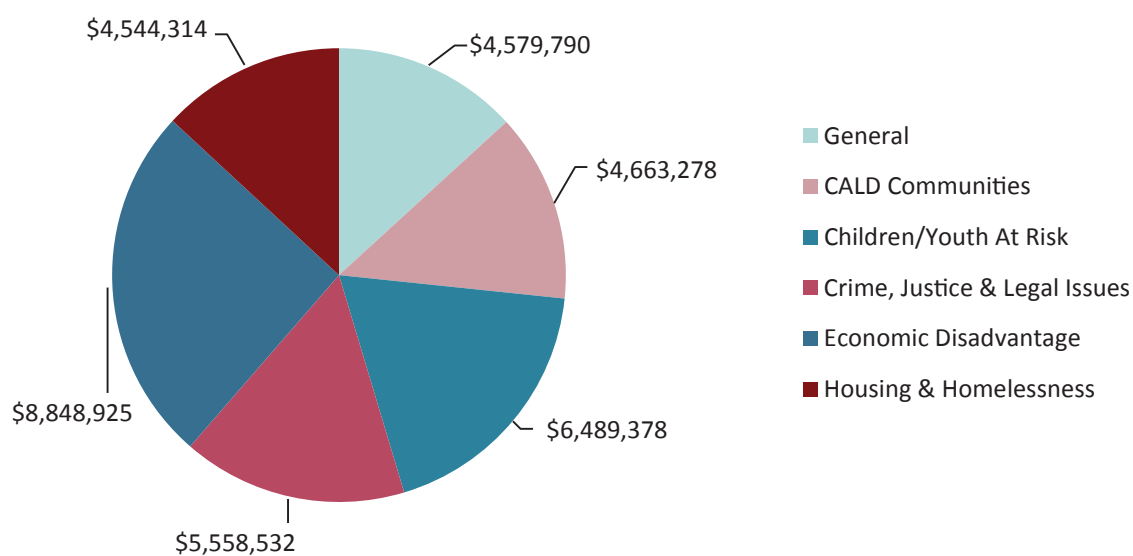
9.5.10 Philanthropy, volunteerism & non-profit infrastructure 2009-2011



Philanthropy volunteerism & non-profit infrastructure	\$	No. of grants
General	130,000	6
Philanthropy	1,546,484	21
Non-profit infrastructure*	12,622,056	157
Volunteerism	492,100	8
Total	\$14,790,640	192

*Includes The Myer Foundation and Sidney Myer Fund Commemorative Grants Program

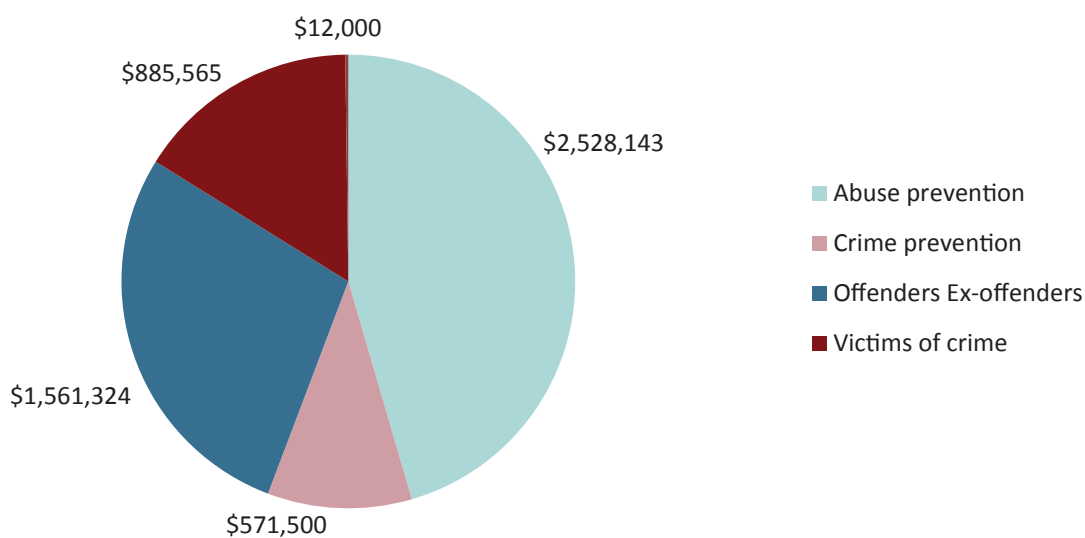
9.5.11 Poverty & disadvantage 2009-2011



Poverty & disadvantage	\$	No. of grants
General	4,579,790	145
CALD communities	4,663,278	109
Children/youth at risk	6,489,378	165
Crime, justice & legal issues	5,558,532	70
Services to economically disadvantaged/low income	8,848,925	278
Housing & homelessness*	4,544,314	42
Total	\$34,684,217	809

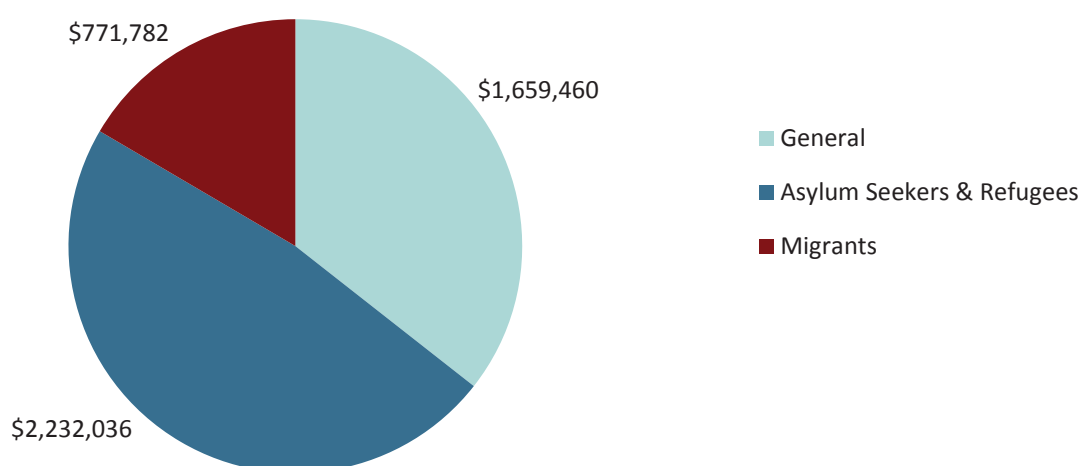
*\$2m Sidney Myer Fund grants (2 grants totalling \$2m) to Melbourne Affordable Housing

Crime justice & legal Issues 2009-2011



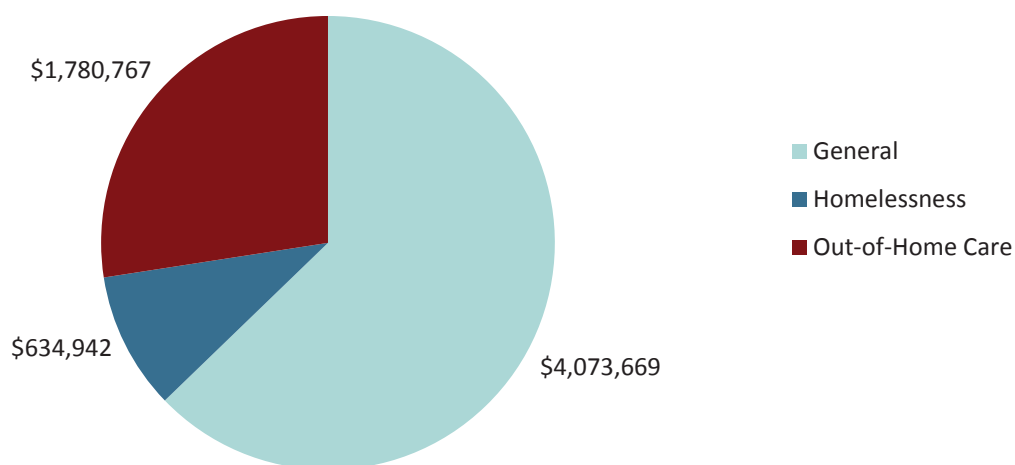
Crime justice & legal issues	\$	No. of grants
Abuse prevention	2,528,143	29
Crime prevention	571,500	9
Offenders / ex-offenders	1,561,324	25
Victims of crime	885,565	5
Public interest law	12,000	2
Total	\$5,558,532	70

Culturally & linguistically diverse (CALD communities) 2009-2011



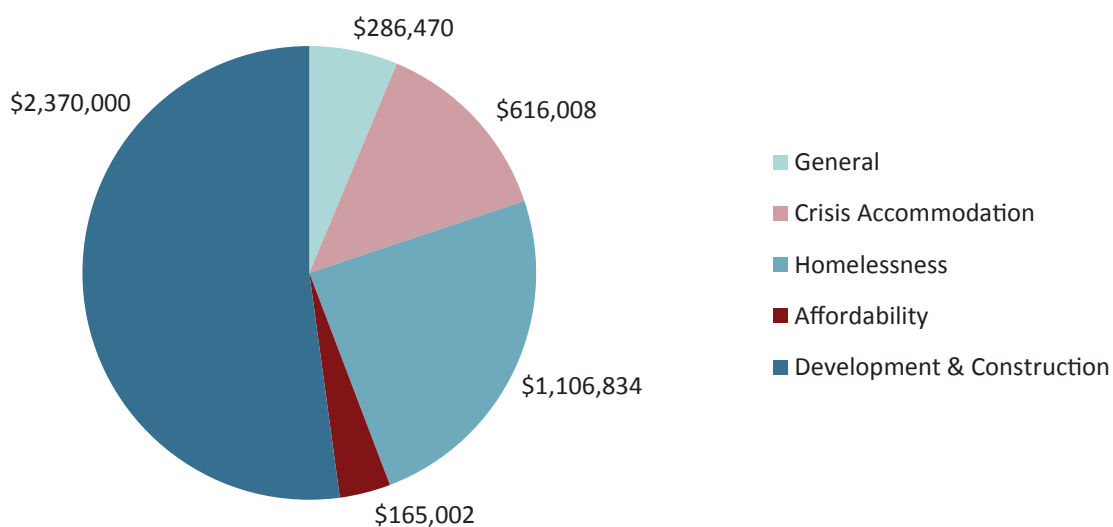
CALD communities	\$	No. of grants
General	1,659,460	12
Asylum seekers & refugees	2,232,036	41
Migrant communities	771,782	17
Total	\$4,663,278	109

Children/youth at risk 2009-2011



Children/youth at risk	\$	No. of grants
General	4,073,669	125
Homelessness	634,942	18
Out-of-home care	1,780,767	22
Total	\$6,489,378	165

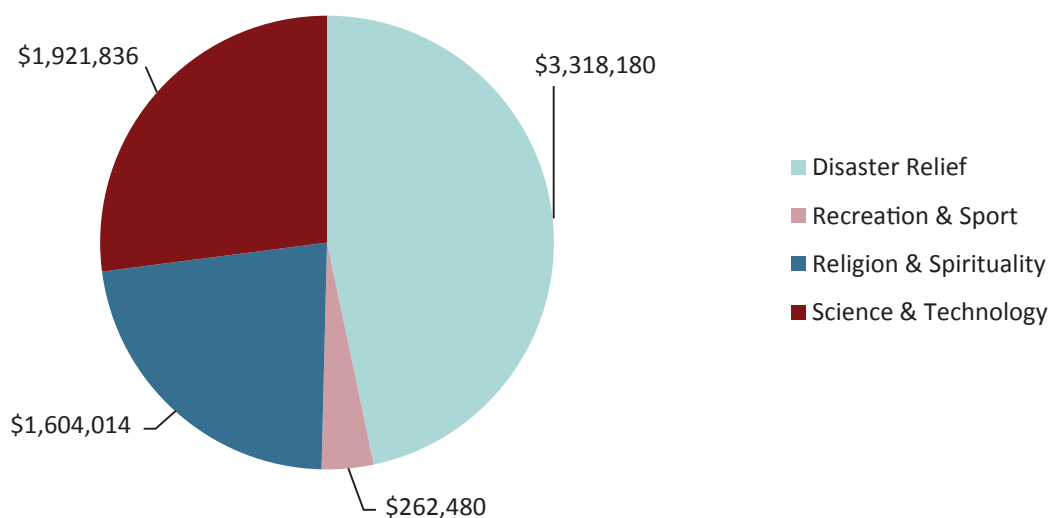
Housing & homelessness 2009-2011



Housing & homelessness	\$	No. of grants
General	286,470	6
Crisis accommodation	616,008	11
Homelessness	1,106,834	15
Affordability	165,002	4
Development & construction*	2,370,000	6
Total	\$4,544,314	42

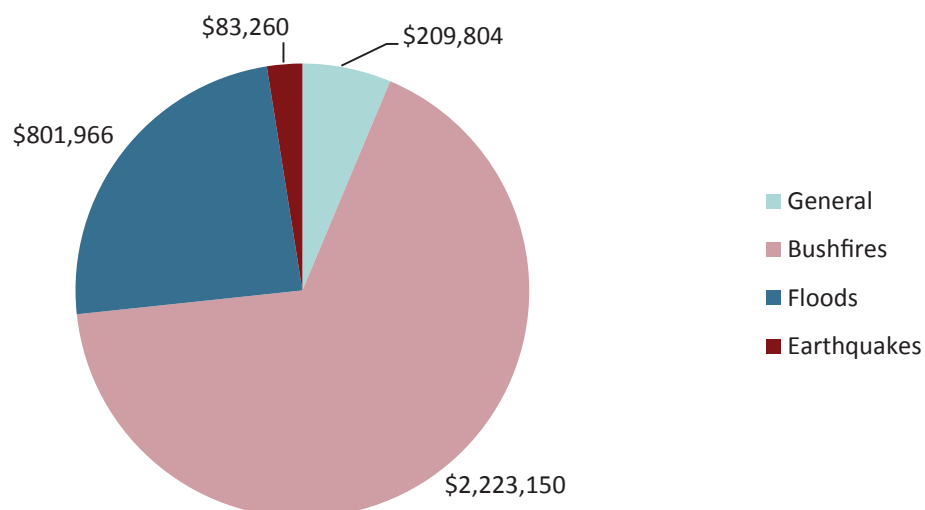
*\$2m Sidney Myer Fund grants (2 grants totalling \$2m) to Melbourne Affordable Housing

9.5.12 Other 2009-2011



Other	\$	No. of grants
Disaster relief	3,318,180	38
Recreation & sport	262,480	19
Religion & spirituality	1,604,014	76
Science & technology	1,921,836	54
Total	\$7,106,510	187

Disaster relief 2009-2011



Disaster relief	\$	No. of grants
General	209,804	17
Bushfires (primarily 2009 Victorian bushfires)	2,223,150	11
Floods (Victorian & Queensland floods)	801,966	8
Earthquakes (Christchurch NZ)	83,260	2
Total	\$3,318,180	38

9.6 Appendix 6: Philanthropy Australia's Grant Classification Scheme

www.philanthropy.org.au

The Grants Classification System provides a pre-determined, controlled vocabulary for foundations to use when describing or reporting on their grants. The Classification System encompasses six facets:

- Type of support
- Organisation type
- Program areas
- Population groups
- Geographic areas
- Time frame of grant

Foundations can select terms from each facet, using the level of detail that best suits them. The intention is to standardise the terms used across the Australian philanthropic sector as far as practical, so that grant-making can be documented and useful statistics on philanthropy collected in ways that contribute to shared understandings.

Most foundations use some kind of pre-determined language to classify their grants, for the purposes of recording grant applications, describing the grants they make and reporting to stakeholders on their activities. Having a standardised language, from which foundation staff can select those terms that suit their purpose, will support this process. By classifying grants and the projects they support, and archiving this information, an enormous amount of data can be retrieved, researched, collated and where appropriate, shared, thereby building our knowledge base.

The Grants Classification System represents a first step in producing a standardised grant-making language, which we will build upon over time. In this report the key classifications used are Recipient Organisation Type and Subject/Program Area.

Recipient organisation type

(This describes the type of recipient organisation being funded)

- Arts organisation
- Community service
- Education
 - o Early childhood
 - o School
 - o Vocational education & training
 - o University
 - o Adult & community
- Employment service
- Environment / conservation
- Health service
- Library, gallery or museum
- Neighbourhood house
- Place of worship: eg. church, mosque, synagogue, etc
- Philanthropic body
- Policy institute
- Professional association
- Research organisation
- Self-help group
- Sporting club or association
- Think tank
- Welfare organisation
- Other

Subject/cause/program areas

(These are the subjects/causes/ fields in which foundations fund.)

- **Ageing futures**
 - o Accommodation for the elderly
 - o Aged care
 - o Dementia
- **Animals**
 - o Animal welfare
 - o Conservation of endangered species
 - o Zoos & wildlife sanctuaries
- **Arts, culture & humanities**
 - o Architecture & design
 - o Cultural heritage (e.g. historical societies, commemorative events)
 - o Humanities (e.g. history, languages, literature, philosophy)
 - o Libraries
 - o Media & communications (e.g. film, journalism, publishing, radio, television)
 - o Museums & galleries
 - o Performing arts
 - o Dance
 - o Music
 - o Theatre
 - o Visual arts & crafts
- **CALD communities** (culturally & linguistically diverse communities)
 - o Asylum seekers
 - o Migrants
 - o Refugees
- **Children/youth at risk**
 - o Addiction & substance abuse (See also health & medical research)
 - o Homelessness
 - o Out-of-home care (e.g. foster families, residential care, kinship care)
- **Civil society**
 - o Advocacy
 - o Citizen participation
 - o Human rights
 - o Public affairs & administration
 - o Social justice
- **Community development**
 - o Small business development
 - o Community development
 - o Economic development
 - o Interface councils
 - o Rural development & agriculture
 - o Transport
 - o Urban communities
- **Crime, justice and legal issues**
 - o Abuse prevention
 - o Crime prevention ex-offenders
 - o Offenders currently incarcerated
 - o Public interest law
 - o Victims of crime
- **Disability**
 - o Carers of people with disabilities
 - o Equipment for people with disabilities
 - o Housing & accommodation for people with disabilities
 - o Services for people with intellectual disabilities
 - o Services for people with physical disabilities
- **Disaster relief**
- **Education**
 - o Adult / continuing education
 - o Financial literacy
 - o Higher education
 - o Literacy & numeracy support
 - o Preschool
 - o Scholarships

-
- o Schools
 - o Primary school
 - o Secondary school
 - o Vocational education & training
 - o Special education
 - **Employment & training**
 - o Ageing workforce
 - o 'Brain drain' phenomenon
 - o Vocational education & training
 - o Transition to work
 - o Unemployment & underemployment
 - **Environment**
 - o Climate change
 - o Drought
 - o Farming
 - o Natural resources - conservation & protection
 - o Water resources
 - o Land resources
 - o Energy resources
 - o [Wildlife – see Animals]
 - o Pollution control
 - o Recycling
 - o Sustainable development
 - o Tourism
 - **Health, wellbeing & medical research**
 - o Addiction & substance abuse (eg. alcohol, drugs, nicotine)
 - o Chronic & acute conditions (eg. cancer, diabetes)
 - o Complementary/alternative medicine
 - o Dual diagnosis
 - o Health promotion & prevention programs
 - o Medical research
 - o Mental health
 - o Other addictive behaviours (e.g. gambling)
 - o Public health services (e.g. hospitals & clinics)
 - o Public health & safety
 - o Reproductive health
 - **Housing & homelessness**
 - o Crisis accommodation (e.g. shelters)
 - o Housing affordability
 - o Homelessness
 - o Housing development & construction
 - **Indigenous Programs**
 - o Arts & culture
 - o Education
 - o Employment
 - o Health
 - o Other
 - **International development and international relations**
 - **Poverty & disadvantage**
 - o Services for economically disadvantaged/low income
 - o Policy
 - o Research
 - **Philanthropy, voluntarism & non-profit infrastructure**
 - o Non-profit infrastructure
 - o Philanthropy
 - o Volunteering
 - **Recreation & sport**
 - **Religion & spirituality**
 - **Science & Technology**

